12/7/83 U7475-2 A

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

December 2, 1983

NOVEMBER 1983 MONTHLY REPORT

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

OPTIMISM RIDES HIGH PLATEAU

** In the November 1983 survey, the Index of Consumer Sentiment was 91.1, about as much above the 89.3 recorded in October as below the cyclical peak of 93.9 recorded in July. Since April 1983, the Index has remained in the narrow range of 89.1 to 93.9, with the November figure nearly identical to

** Among families with incomes over $25,000, the Index fell to 98.8 in November, from 101.9 in October and the cyclical peak of 106.5 in July.

** Increases in interest rates were expected by 33 percent of all families in the November 1983 survey, down significantly from the 44 percent recorded one month earlier. Rather than renewed declines, the most prevalent expectation was that interest rates would remain unchanged at current levels during the year ahead.

** Overall buying attitudes remained at very favorable levels in the November 1983 survey, despite small declines from their mid-year peaks. Small declines in favorable attitudes toward buying conditions for houses and cars resulted from fewer mentions of the availability of lower interest rates, and fewer references to price discounts.

** The personal financial situation of American families continued to strengthen in the November 1983 survey. The proportion of families that reported that their financial situation had worsened during the past year fell to 27 percent in November, the lowest level recorded in five years.

** Evaluations of business conditions have declined somewhat from their mid year peaks, but on balance remained at very favorable levels. Among all families in the November 1983 survey, 63 percent reported that the economy had improved during the past year (66 percent in October), 46 percent expected the economy to improve during the year ahead (55 percent in May), and 59 percent expected these cumulative improvements to lead to good times financially in the economy as a whole (65 percent in May).

* * *

Following the rapid improvement in early 1983, a broad range of consumer attitudes and expectations have receded slightly from the mid-year peak. This reflects a slowing in the expected pace of improvement in the economy as the recovery period lengthens. Overall, these small declines from peak levels do not detract from the otherwise very favorable levels of consumer attitudes and expectations. The rapid improvement in consumer optimism earlier in the year together with its subsequent maintenance at favorable levels points toward a continued robust growth in consumer sales through mid-1984.

Monitoring Economic Change Program
Institute for Social Research • P.O. Box 1248 • Ann Arbor, Michigan 48106 • (313) 763-5224

Interest Rate Concerns Ease

Significantly fewer respondents expected interest rate increases during the year ahead in the November 1983 survey (33 percent) than either one month earlier (43 percent) or three months earlier (47 percent). While this marks a significant decline in the proportion of families that expected increases, interest rate increases were still expected more frequently in November 1983 than one year earlier (25 percent). Although concerns over increases have eased in recent months, the proportion that expected interest rate declines has not grown by a similar amount. In the November 1983 survey, 24 percent of all families expected interest rates to decline during the year ahead, just above the 21 percent recorded one month earlier, but substantially below the 45 percent recorded in November 1982 In contrast, the most prevalent expectation in the November 1983 survey was that interest rates would remain largely unchanged at current levels during the year ahead, reported by 40 percent of all families, up from 33 percent one month earlier, and 26 percent one year earlier.

Favorable Buying Attitudes Maintained

Attitudes toward buying conditions for cars, houses, and large household durables have all remained at very favorable levels in the November 1983 survey. The majority of all families continued to rate buying conditions favorably in each market studied, although the proportions holding favorable attitudes have declined somewhat since mid-year.

Favorable attitudes toward buying conditions for large household durables were held by 64 percent of all families in the November 1983 survey, just below the cyclical peak of 67 percent recorded in both the May and July 1983 surveys. These very favorable buying attitudes toward large household durables are primarily based on the widespread perception of sales and price discounts--in the November 1983 survey more than twice as many families mentioned the availability of lower prices than cited their aversion to high prices for large household durables (34 versus 15 percent).

Favorable attitudes toward buying conditions for cars were held by 59 percent of all families in the November 1983 survey, unchanged from October, and just below the all-time record level of 66 percent recorded in April and May 1983. Since mid-1983, mentions of the availability of lower interest rates on automobile loans has fallen from 40 to 22 percent, while references to high interest rates have risen from 7 to only 9 percent. Importantly, references to the availability of lower prices, rebates and other discounts on vehicle purchases fell to 21 percent in the November 1983 survey, the lowest level recorded since November 1981. Moreover, more families cited their aversion to high car prices rather than the appeal of lower prices in the November 1983 survey (21 versus 23 percent). Specific vehicle purchase intentions have increased substantially during the past year. Among all families, 17 percent reported in both the October and November 1983 surveys that they expected to purchase a new vehicle during the next 12 months, an all-time record level.

Favorable attitudes toward market conditions for houses were held by 53 percent of all families in the November 1983 survey, down from the cyclical peak of 66 percent recorded in June. The decline in favorable house buying attitudes has been primarily due to less favorable perceptions of mortgage interest rates: from June to November 1983, the proportion that mentioned the availability of lower mortgage rates fell from 61 to 40 percent, while the proportion that referred to high mortgage interest rates rose from 23 to 30 percent. Moreover, the November 1983 survey was the first month in the last 12 in which the proportion of families that mentioned the availability of lower housing prices did not exceed the proportion that referred to high prices. In the November 1983 survey, an equal proportion of families refer to low as to high housing prices--16 percent.

Personal Finances Strengthen

The November 1983 survey marked the eighth consecutive month that American families reported an overall improvement in their personal financial situation. Among all families, 38 percent reported an improved personal financial situation in the November 1983 survey, up from 31 percent in November 1982. The proportion of families that reported a worsening financial situation was 27 percent in November 1983, substantially below the 46 percent recorded a year earlier, and the lowest level recorded in more than five years. When asked to explain how their financial situation had changed during the past year, respondents somewhat more frequently reported family income increases in the November 1983 survey (31 percent, up from 29 percent), and much less frequently mentioned family income declines (15 percent, down from 25 percent in November 1982). In addition, fewer families complained of declines in the purchasing power of their income due to inflation, 18 percent in the November 1983 survey, down from 26 percent a year earlier. The combined improvement in income and price trends led to the most favorable assessments of real income progress recorded during the past decade. Among all families, 22 percent reported that their family income had increased by more than prices during the past year, the highest proportion recorded since this question was introduced in 1973.

Families have also maintained very favorable expectations for improvement in their financial situation during the year ahead. Among all families in the November 1983 survey, 38 percent expected their financial situation to improve during the year ahead, compared with just 11 percent that expected deterioration. These expectations remain near the cyclical peak levels recorded six months earlier, when 43 percent of all families expected improvement in their financial situation. Fewer families expected their nominal income to decline or remain unchanged in November 1983 compared with a year earlier (34 percent, down from 41 percent). Among those families that expected income increases, the entire improvement compared with a year earlier came among families that expected income increases of 1-4% (12 percent, up from 6 percent), while the proportion of families that expected income increases of 5% or more fell to 44 percent from 47 percent one year earlier. When combined with lower price expectations, these modest improvements in nominal income expectations led consumers to hold the most favorable real income expectations recorded during the past decade. Among all families, two-thirds expected the rate of increase in their nominal incomes to exceed or keep pace with the annual rate of inflation in the November 1983 survey.

Business Conditions

In the November 1983 survey, 63 percent of all families reported that the economy had improved during the past year, just below the all-time peak level of 66 percent recorded in the October 1983 survey. Perceptions of recent changes in the economy remained very favorable in the November 1983 survey, with twice as many families reporting favorable as unfavorable developments. News of increases in employment were reported by 22 percent of all families in November, up from just 6 percent one year earlier, while reports of increases in unemployment fell to 17 percent in November 1983, from 47 percent one year earlier. The unemployment rate was expected to continue to decline in the November 1983 survey, with more than twice as many families reporting that they expected declines rather than increases during the year ahead (35 versus 16 percent).

Overall prospects for the economy as a whole during the coming year remained at very favorable levels in the November 1983 survey. Among all families, 46 percent expected the economy to improve during the year ahead (just below the all-time peak of 55 percent recorded six months earlier) and 59 percent of all families expected these cumulative improvements to lead to good times financially in the economy as a whole (just below the cyclical peak of 65 percent recorded six months earlier).

Long term business expectations, although substantially improved over prior years, remained at relatively less favorable levels compared with short term business expectations. Among all families, 39 percent expected good times financially in the economy as a whole during the next five years, a somewhat smaller proportion than the 41 percent that expected the economy over the next five years or so to be marked by the resurgence of unemployment and inflation. Nonetheless, even with this unfavorable balance of opinion, these longer term business prospects were as favorable in 1983 as at the cyclical peaks recorded during the 1970s. At the cyclical peaks recorded during the mid-1950s and again during the mid-1960s, in comparison, as many as 47 percent of all families expected good times, while just 11 percent expected bad times financially in the economy as a whole during the following five years.

* * *

The November 1983 survey was conducted between November 1, 1983 and November 28, 1983, and included 701 completed interviews.

TABLES AND CHARTS

NOVEMBER 1983

The November 1983 survey is the 182nd in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Recent change charts include quarterly data before 1978 and monthly data starting in January of 1978. Historical series charts show quarterly data before 1978 and 3 month moving averages since then. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

© University of Michigan, 1983

TABLE OF CONTENTS

CHART/ TABLE	TITLE
1	THE INDEX OF CONSUMER SENTIMENT
2	INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS
3	COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT
4	CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO
5	SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION
6	EXPECTED CHANGE IN FINANCIAL SITUATION
7	TREND IN PERSONAL FINANCIAL SITUATION
8	EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS
9	PAST CHANGE IN REAL FAMILY INCOME
10	EXPECTED CHANGE IN REAL FAMILY INCOME
11	TREND IN FAMILY INCOME AND PRICE COMPARISON
12	NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS
13	SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS
14	CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO
15	EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR
16	REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR
17	TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS
18	BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS
19	BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS
20	EXPECTED CHANGE IN UNEMPLOYMENT
21	EXPECTED CHANGE IN INTEREST RATES
22	CHANGE IN PRICES DURING THE LAST 12 MONTHS
23	EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS
24	UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP
25	OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY
26	BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS
27	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS
28	BUYING CONDITIONS FOR HOUSES
29	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES
30	BUYING CONDITIONS FOR CARS
31	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS
32	PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS
33	CURRENT VEHICLE PURCHASE INTENTIONS
34	FUTURE VEHICLE PURCHASE INTENTIONS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

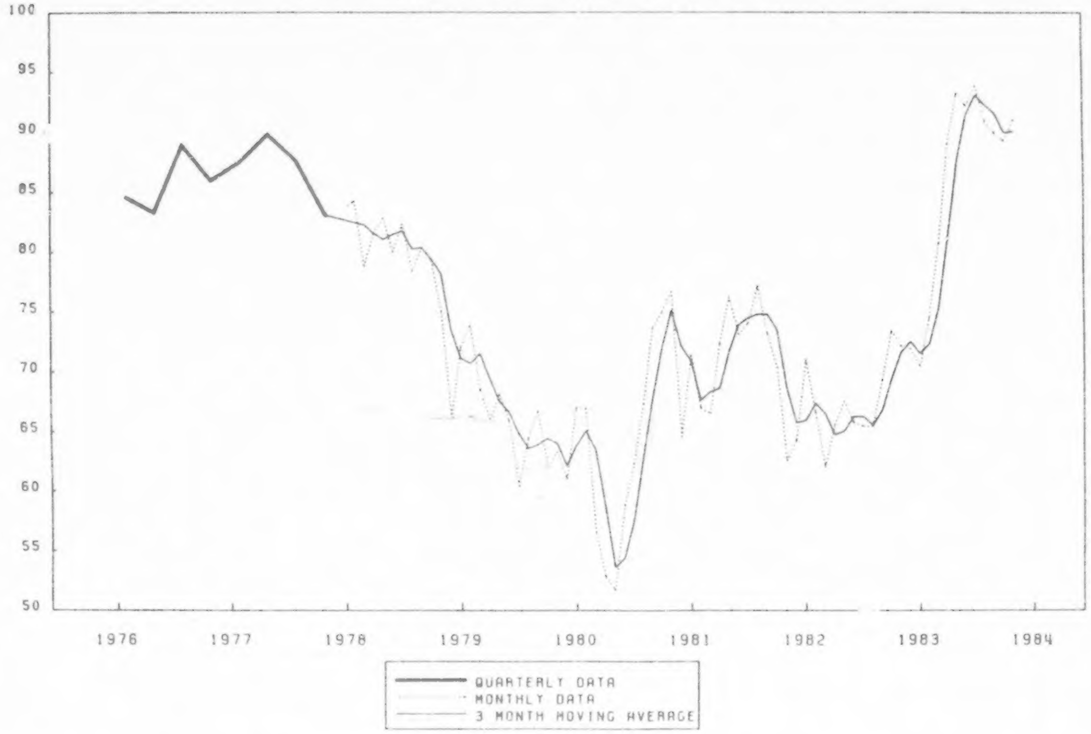


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

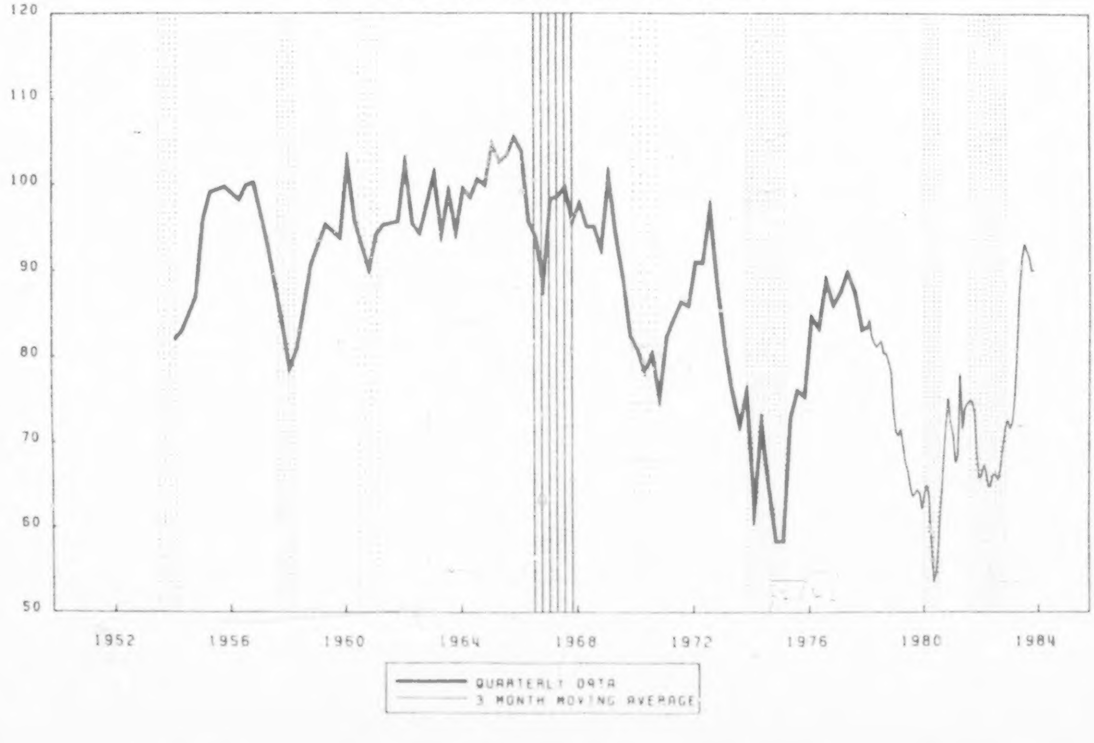


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over $20,000	Families with incomes over $25,000
November	1980	76.7	82.7	87.5
December	1980	64.5	66.9	68.6
January	1981	71.4	74.8	77.1
February	1981	66.9	74.2	77.5
March	1981	66.5	72.1	73.7
April	1981	72.4	77.1	78.0
May	1981	76.3	80.8	85.0
June	1981	73.1	81.2	82.9
July	1981	74.1	80.8	82.1
August	1981	77.2	82.7	85.0
September	1981	73.1	75.2	73.3
October	1981	70.3	74.5	77.9
November	1981	62.5	67.2	66.3
December	1981	64.3	71.0	71.1
January	1982	71.0	77.9	77.8
February	1982	66.5	71.5	72.8
March	1982	62.0	67.0	67.9
April	1982	65.5	71.5	73.2
May	1982	67.5	72.7	74.8
June	1982	65.7	71.4	72.9
July	1982	65.4	68.9	69.2
August	1982	65.4	71.0	73.6
September	1982	69.3	78.4	81.1
October	1982	73.4	77.5	80.9
November	1982	72.1	79.3	81.1
December	1982	71.9	78.0	80.5
January	1983	70.4	78.2	78.8
February	1983	74.6	79.9	81.3
March	1983	80.8	88.4	88.9
April	1983	89.1	97.1	99.0
May	1983	93.3	99.6	101.0
June	1983	92.2	101.2	102.5
July	1983	93.9	104.4	106.5
August	1983	90.9	101.2	103.5
September	1983	89.9	99.0	102.3
October	1983	89.3	99.5	101.9
November	1983	91.1	97.2	98.8

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

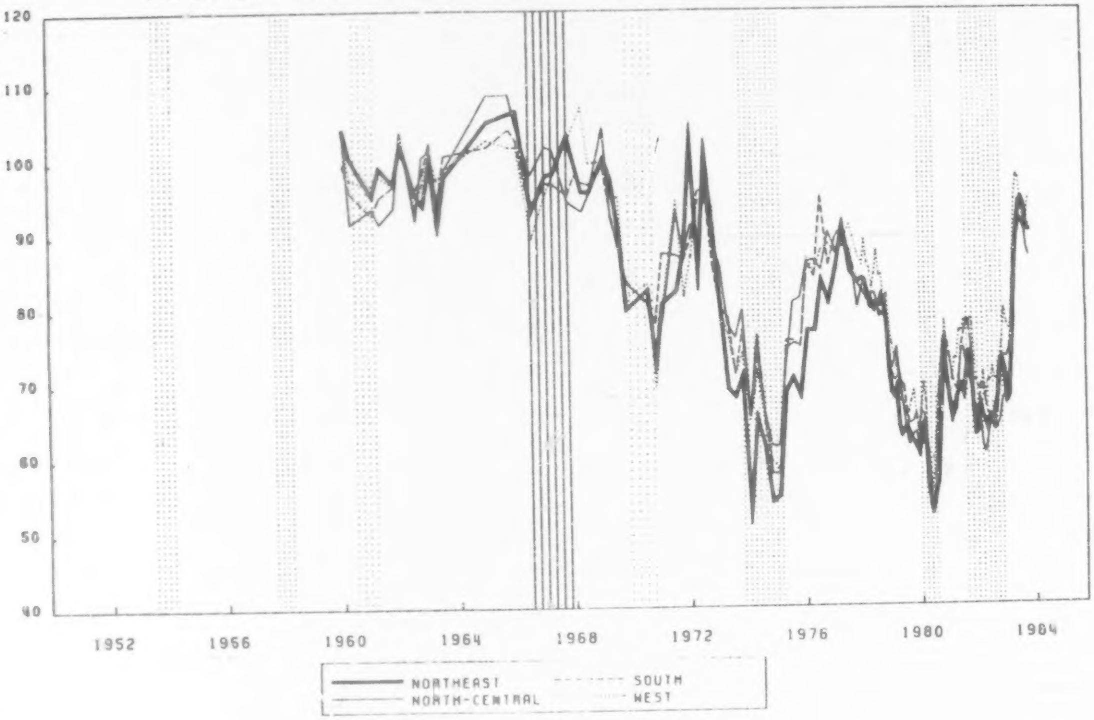
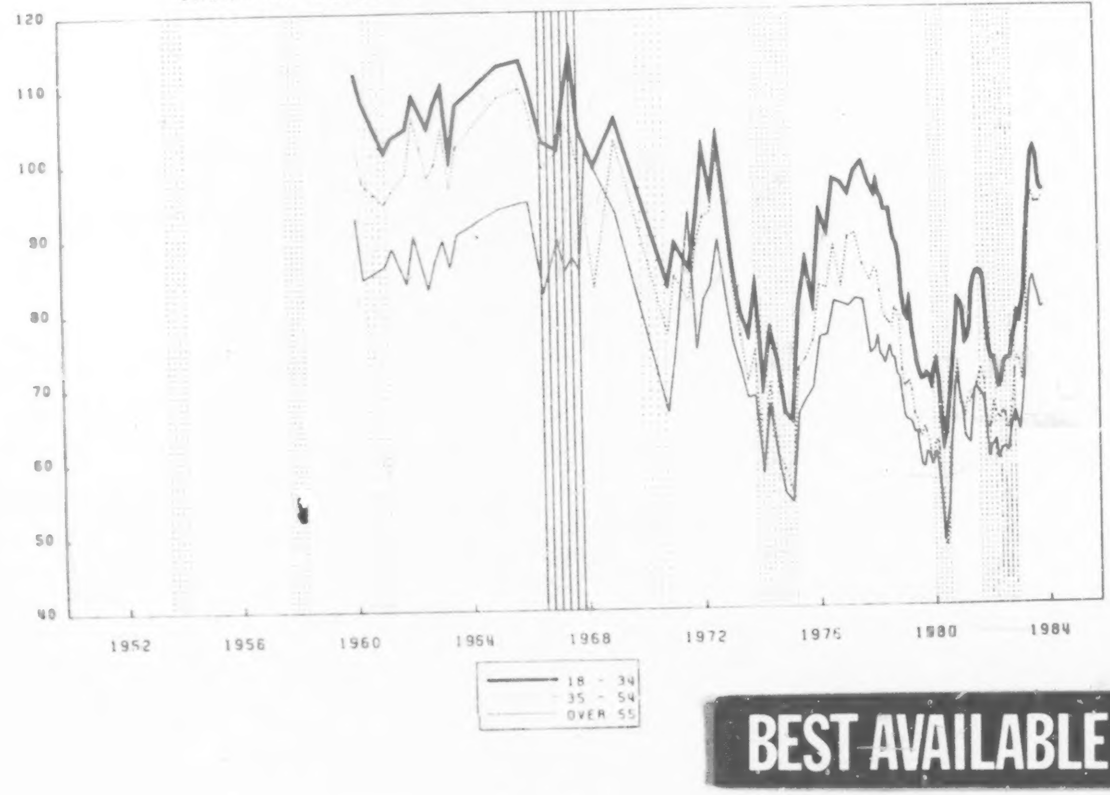


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS



BEST AVAILABLE COPY

TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
November 1980	71.1	76.2	77.3	81.9	85.3	73.5	70.3
December 1980	62.3	59.9	69.3	64.6	76.0	56.7	60.1
January 1981	68.2	70.9	72.5	74.4	77.2	70.2	67.9
February 1981	64.5	62.6	70.2	70.8	72.5	68.4	59.6
March 1981	66.5	62.6	64.9	73.7	77.3	63.9	58.4
April 1981	72.6	72.7	71.0	74.2	81.5	68.3	66.9
May 1981	66.8	76.6	77.5	82.2	87.7	71.2	70.0
June 1981	68.5	74.0	75.2	73.8	81.7	67.0	69.6
July 1981	68.9	72.2	76.5	78.1	84.2	70.6	67.6
August 1981	77.0	70.1	83.2	79.2	87.8	75.0	67.9
September 1981	75.1	69.9	72.4	76.6	81.4	68.8	69.2
October 1981	67.9	68.2	68.9	79.0	80.7	65.9	64.8
November 1981	55.8	64.7	61.1	68.8	71.3	59.6	57.7
December 1981	65.0	65.3	64.4	61.6	70.9	65.3	56.7
January 1982	68.8	67.3	72.0	76.2	76.6	67.4	68.5
February 1982	65.9	60.6	71.8	68.8	71.5	68.3	59.0
March 1982	60.5	55.8	64.7	68.2	65.5	61.4	58.8
April 1982	67.2	64.6	65.0	65.8	70.6	65.5	60.4
May 1982	62.4	66.5	66.6	75.7	72.7	67.6	62.0
June 1982	65.4	65.0	64.9	68.6	72.4	64.4	60.3
July 1982	65.1	64.0	63.5	71.1	73.4	63.3	60.6
August 1982	68.1	60.6	64.0	70.6	72.6	62.9	60.2
September 1982	70.3	67.2	71.1	68.8	73.0	66.7	68.0
October 1982	77.8	66.2	74.1	79.3	81.2	72.1	65.5
November 1982	70.6	67.9	73.2	79.3	76.6	75.7	63.8
December 1982	66.1	70.0	72.5	80.4	78.9	71.7	64.2
January 1983	64.9	70.5	73.6	72.8	78.8	70.0	62.0
February 1983	72.1	72.3	75.8	77.2	82.1	68.3	72.4
March 1983	82.9	73.7	82.7	84.4	84.9	81.5	75.5
April 1983	89.1	88.0	87.2	95.6	95.8	90.5	80.5
May 1983	88.3	90.7	93.3	102.7	97.2	97.1	84.9
June 1983	95.1	88.7	92.5	94.1	97.8	94.4	83.9
July 1983	98.3	93.8	89.9	94.3	106.0	93.6	83.0
August 1983	89.6	92.0	91.3	89.6	99.2	92.9	80.0
September 1983	92.6	87.8	89.3	90.8	94.8	94.5	80.9
October 1983	89.9	83.7	91.5	93.5	94.2	93.8	77.8
November 1983	87.7	88.3	91.5	98.5	97.2	94.6	80.7

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

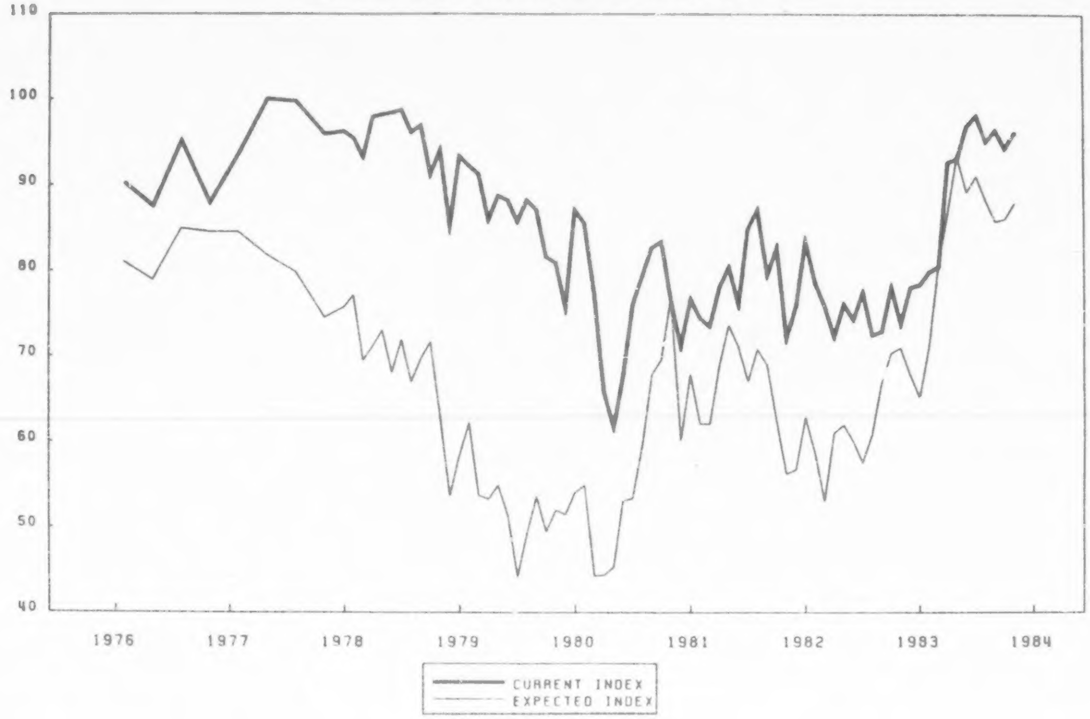


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

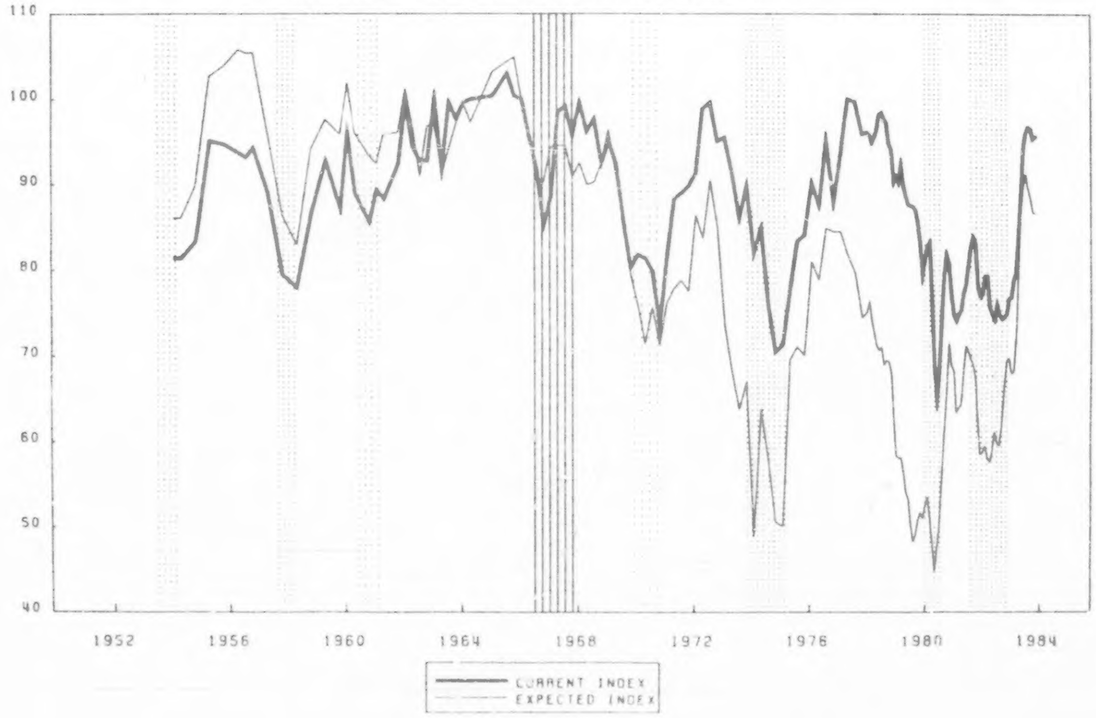


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	INDEX COMPONENTS + Personal finances Current (1)	 Expected (2)	 Business conditions 12 months (3)	 5 years (4)	 Buying conds. (5)	Current Index (1,5)	Expected Index (2,3,4)
November 1980	83	118	94	93	112	76.4	76.9
December 1980	77	100	64	73	104	71.2	60.2
January 1981	80	109	78	81	116	76.7	67.9
February 1981	80	106	64	73	109	74.4	62.1
March 1981	86	104	68	72	101	73.5	62.1
April 1981	79	111	83	78	121	78.1	68.8
May 1981	95	118	92	81	111	80.4	73.6
June 1981	89	113	91	78	104	76.1	71.2
July 1981	99	114	81	70	118	84.9	67.1
August 1981	100	117	92	72	123	87.1	70.8
September 1981	94	113	80	80	109	79.5	69.0
October 1981	95	110	68	67	117	82.7	62.3
November 1981	85	110	54	56	99	72.1	56.3
December 1981	94	110	54	61	101	75.9	56.8
January 1982	92	115	66	70	124	83.5	62.9
February 1982	91	112	56	65	111	78.6	58.7
March 1982	89	106	44	60	106	75.9	53.1
April 1982	87	111	62	70	99	72.3	61.1
May 1982	94	113	62	72	102	76.1	62.0
June 1982	92	116	58	65	99	74.3	60.1
July 1982	90	113	53	63	110	77.5	57.6
August 1982	89	110	64	69	97	72.5	60.9
September 1982	89	116	76	74	98	72.9	66.9
October 1982	95	119	79	83	106	78.1	70.4
November 1982	85	121	77	86	105	73.8	71.0
December 1982	90	117	74	80	111	78.1	67.9
January 1983	91	115	76	69	111	78.4	65.2
February 1983	89	117	87	81	117	79.9	71.2
March 1983	92	126	113	85	115	80.5	80.9
April 1983	108	131	120	99	131	92.7	86.9
May 1983	101	137	139	100	139	93.1	93.4
June 1983	110	128	134	97	141	96.9	89.2
July 1983	111	126	136	104	143	98.1	91.1
August 1983	106	124	130	100	140	95.1	88.2
September 1983	109	125	125	95	140	96.4	85.8
October 1983	104	124	124	98	140	94.3	86.1
November 1983	111	127	129	98	138	96.1	87.9

(1) See Table 4.
(2) See Table 6.

(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

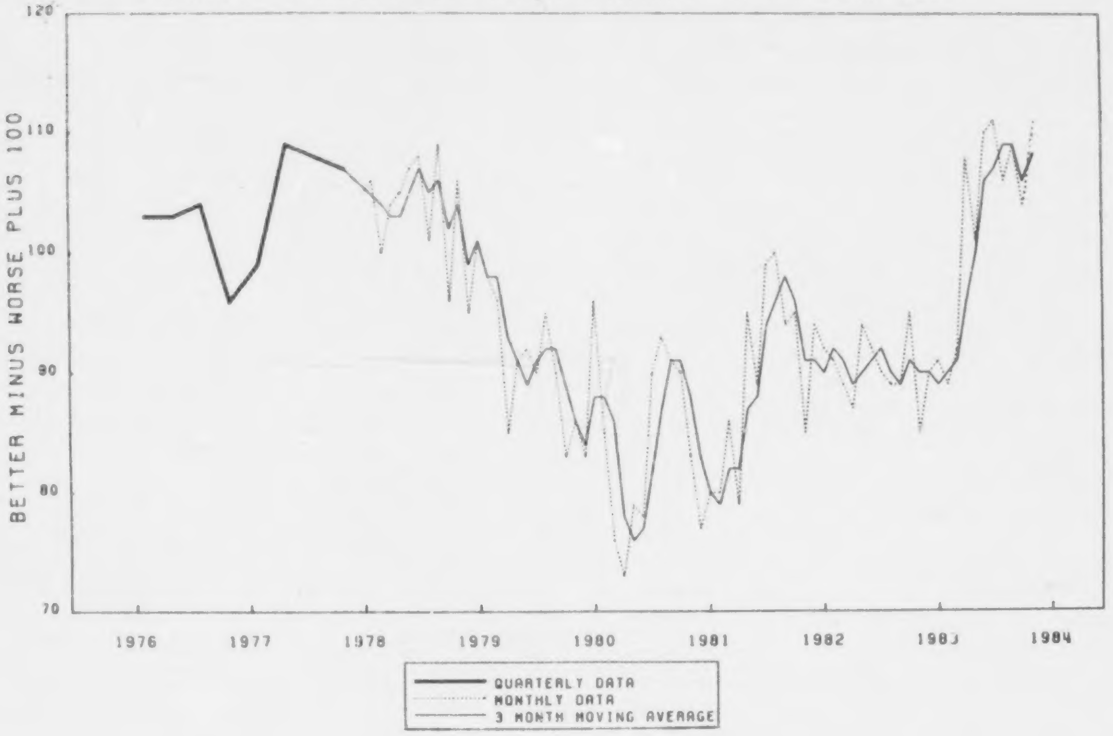


CHART 4 - HISTORICAL SERIES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

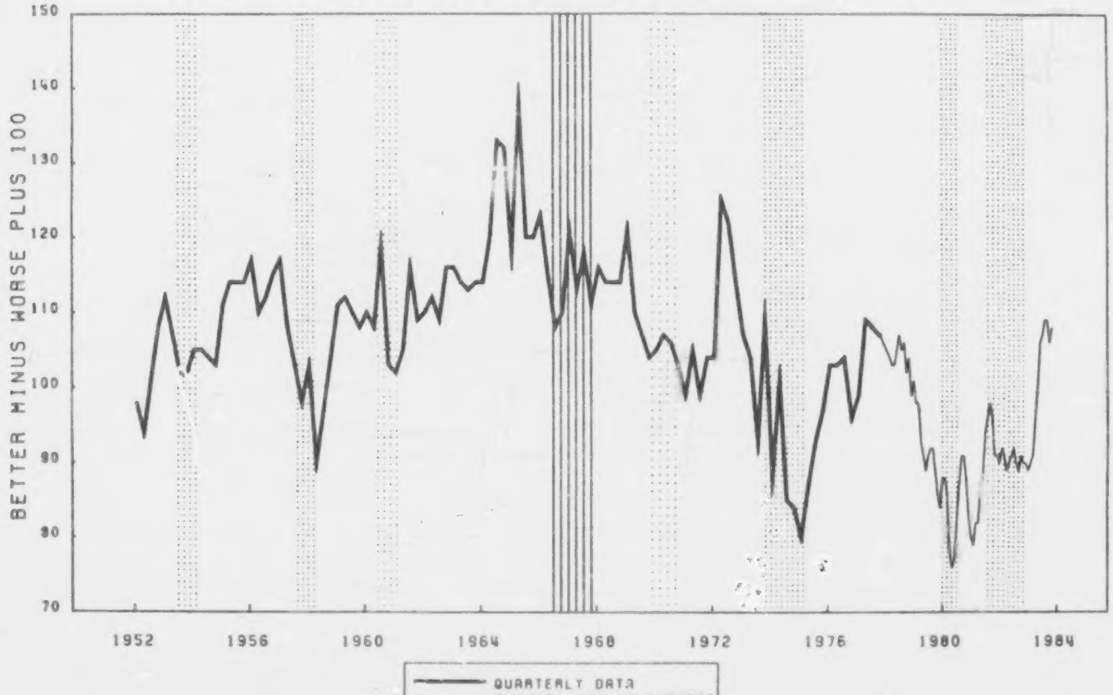


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
BETTER OFF	31%	28%	29%	30%	31%	39%	34%	38%	40%	36%	38%	36%	38%
SAME	23	34	33	29	30	30	33	33	31	34	33	32	35
WORSE OFF	46	38	38	41	39	31	33	28	29	30	29	32	27
DK,NA	*	*	*	*	*	*	*	1	*	*	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	682	709	696	707	700	714	680	673	704	689	701

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

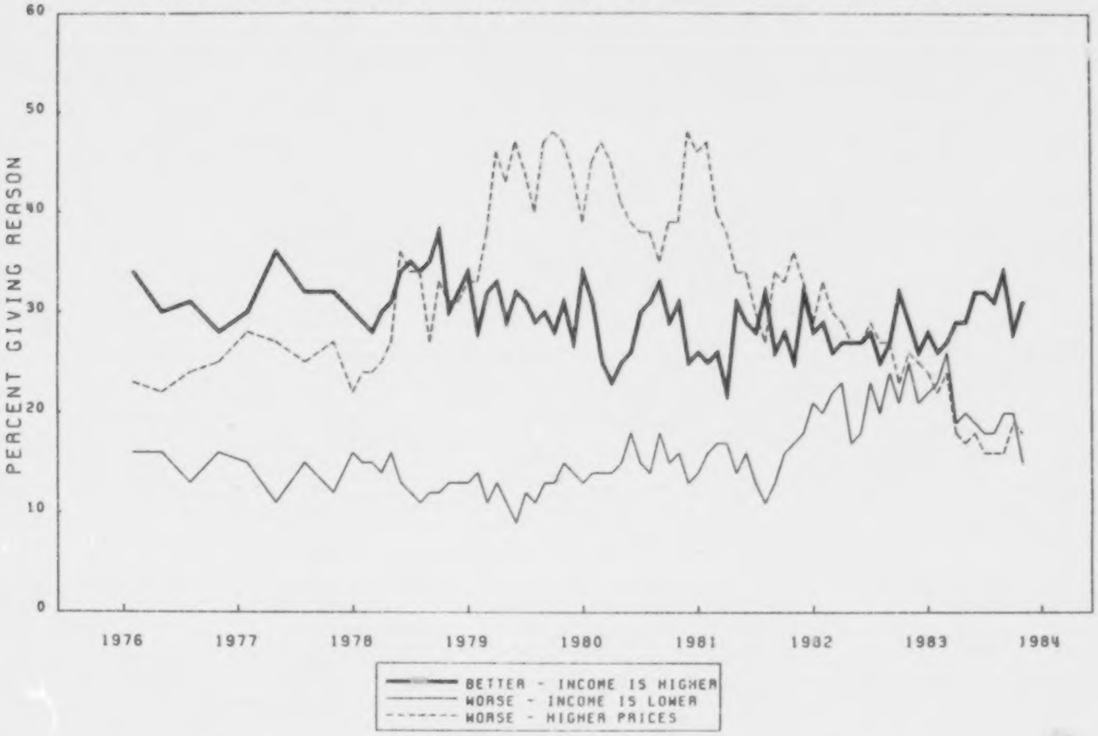


CHART 5 - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

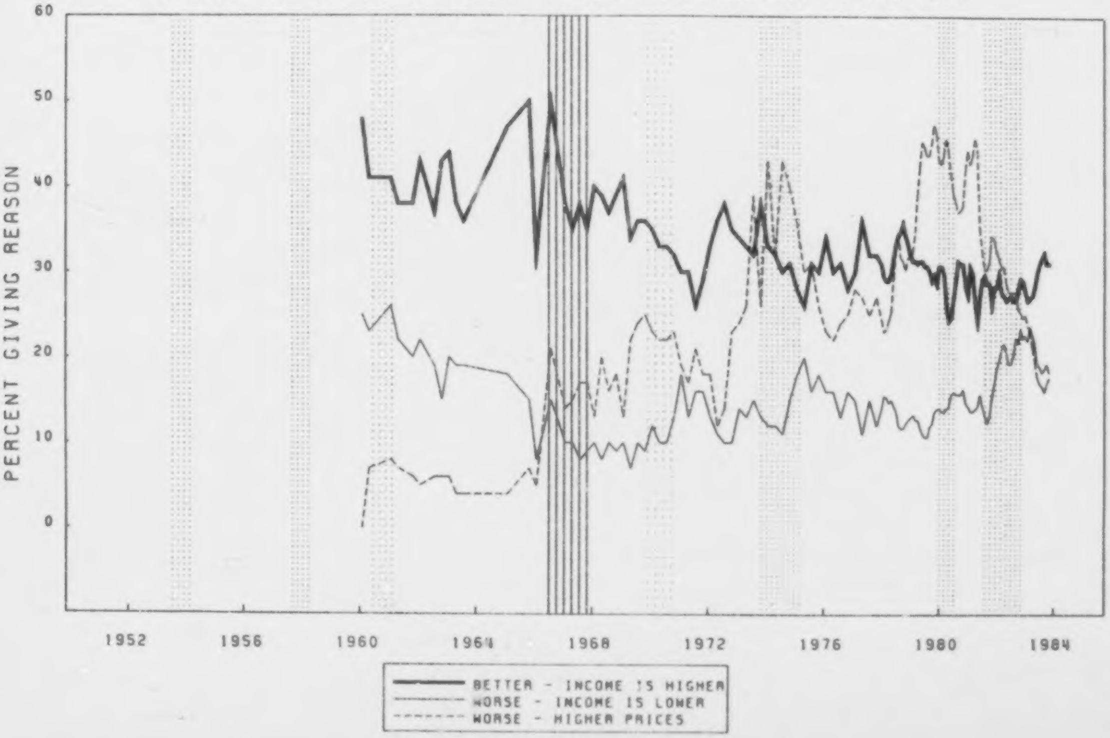


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
BETTER OFF THAN YEAR AGO:													
Income is higher	29%	26%	28%	26%	27%	29%	29%	32%	32%	31%	34%	28%	31%
WORSE OFF THAN YEAR AGO:													
Income is lower	25	21	22	23	26	19	20	19	18	18	20	20	15
Higher prices	26	25	24	22	24	18	17	18	16	16	16	19	18

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

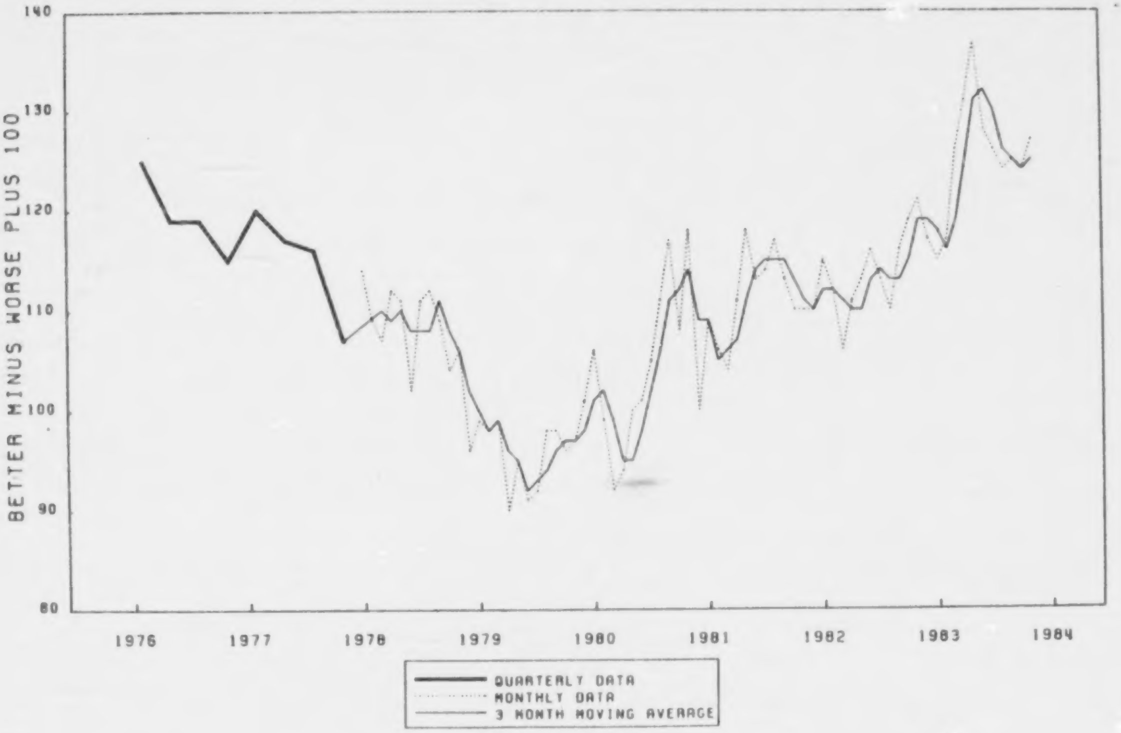


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

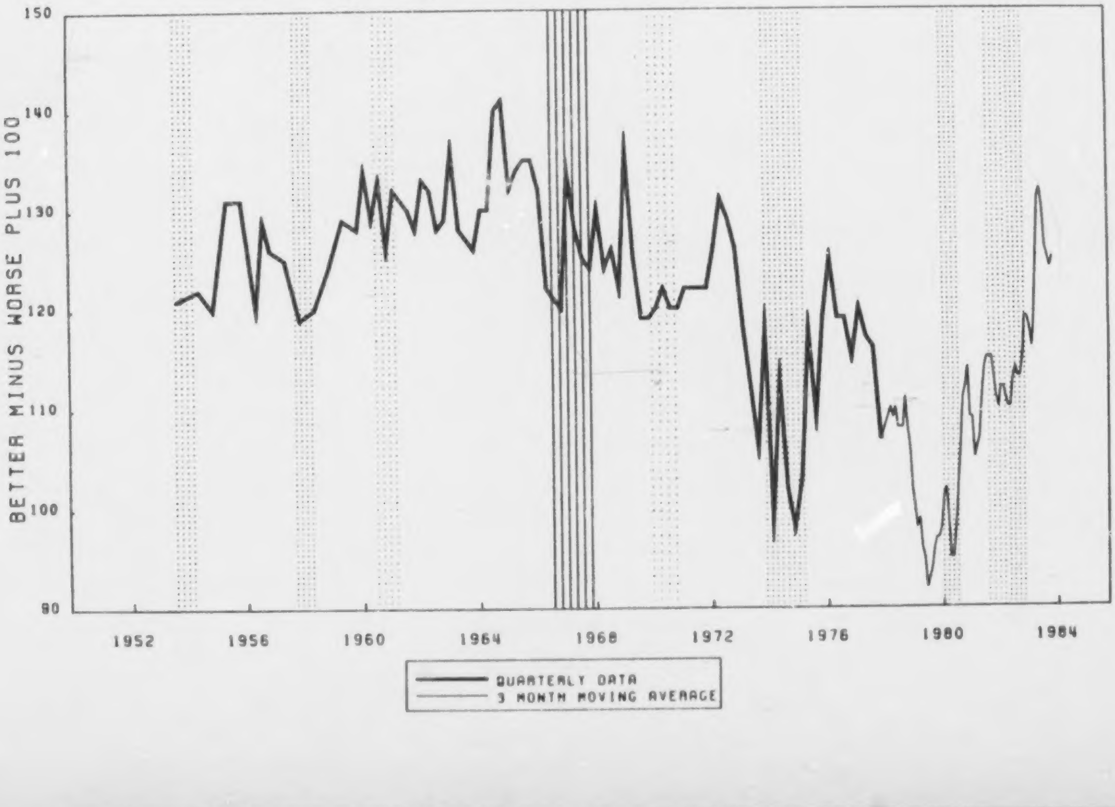


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
BETTER OFF	37%	34%	34%	33%	39%	40%	43%	37%	35%	37%	37%	37%	38%
SAME	43	46	44	47	46	47	47	52	52	46	48	46	47
WORSE OFF	16	17	19	16	13	9	6	9	9	13	12	13	11
DK,NA	4	3	3	4	2	4	4	2	4	4	3	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	682	709	696	707	700	714	680	673	704	689	701

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

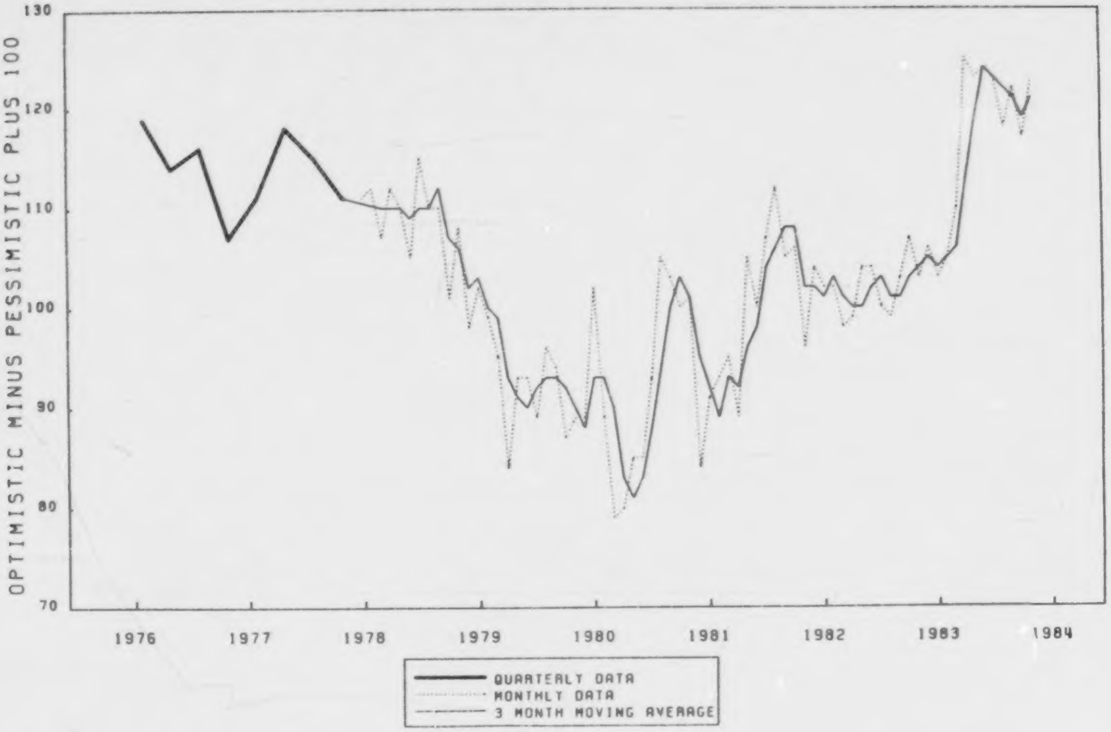


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

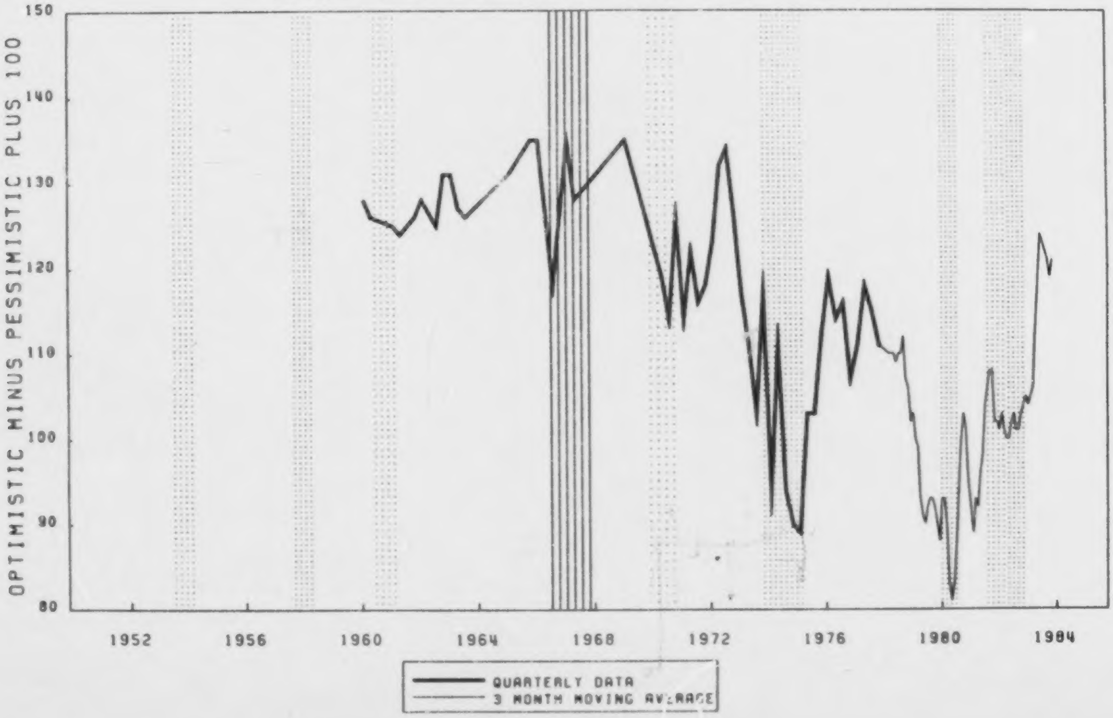


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	16%	14%	15%	13%	16%	19%	18%	19%	20%	19%	18%	19%	20%
Intermittent increase (b)	19	22	20	22	22	26	25	26	24	23	27	23	23
Remain unchanged (c)	12	18	16	16	16	18	18	20	21	19	18	18	21
Intermittent decline (d)	22	18	21	20	21	15	18	17	16	18	17	18	15
Continuous decline (e)	10	12	11	10	7	5	2	4	5	6	6	7	5
Mixed change (f)	18	13	13	14	16	13	15	11	10	10	11	11	11
DK,NA	3	3	4	5	2	4	4	3	4	5	3	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	682	709	696	707	700	714	680	673	704	689	701

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

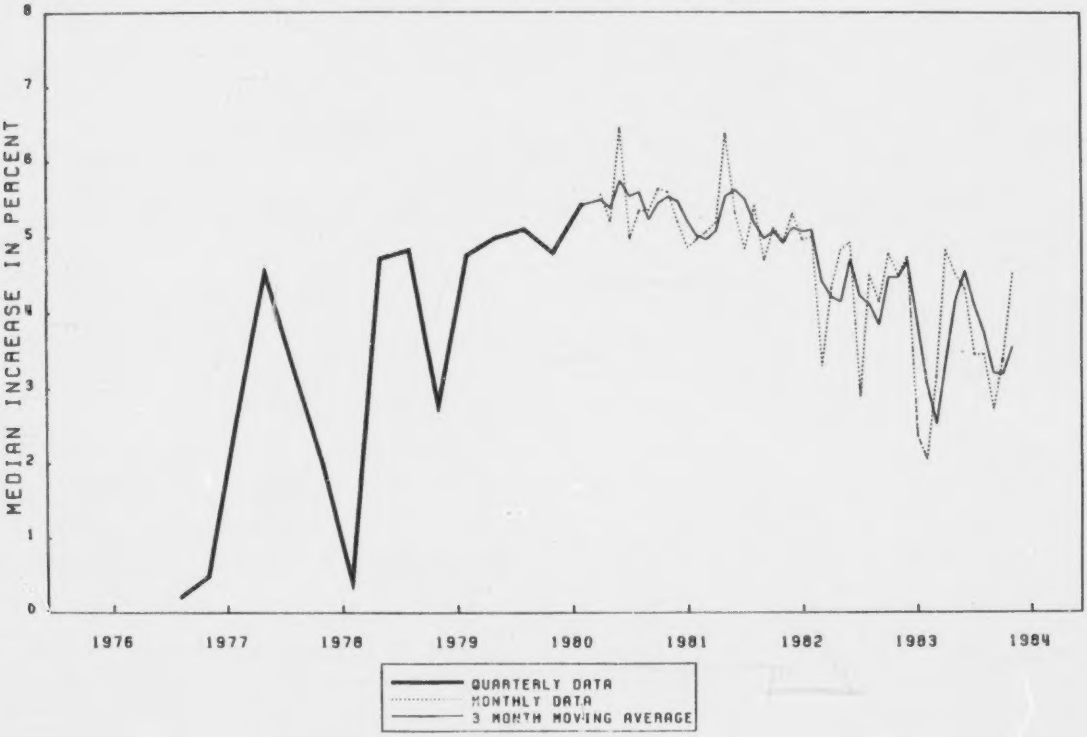


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
EXPECT INCREASE:													
1-4%	6%	6%	11%	7%	7%	9%	8%	8%	9%	13%	11%	11%	12%
5%	9	10	9	9	10	12	9	11	12	10	12	10	9
6-9%	7	9	8	8	10	12	8	11	10	10	5	10	8
10-24%	19	22	13	16	16	19	20	16	15	15	14	15	19
25% or more	9	7	7	8	7	7	9	8	7	8	9	7	8
DK how much up	6	4	6	4	5	4	5	4	4	4	6	5	7
EXPECT SAME	27	24	28	30	26	25	26	28	28	23	30	26	23
EXPECT DOWN	14	17	17	16	17	10	14	13	13	14	12	13	11
DK,NA	3	1	1	2	2	2	1	1	2	3	1	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	682	709	696	707	700	714	680	673	704	689	701

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

CHART 9 - RECENT CHANGES

INCOME OR PRICES UP MORE DURING THE LAST YEAR

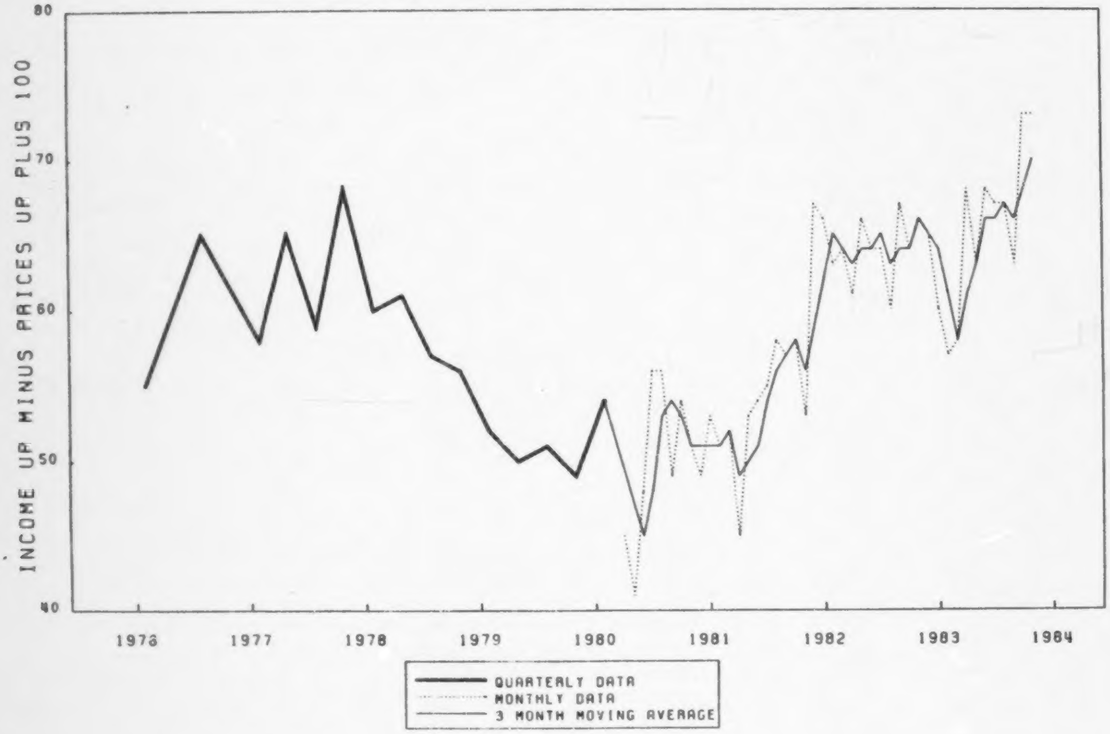


TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
INCOME UP MORE	16%	14%	14%	14%	16%	17%	16%	17%	18%	20%	15%	20%	22%
INCOME UP SAME	33	35	30	27	25	32	30	32	29	26	31	32	28
PRICES UP MORE	50	49	54	57	58	49	53	49	51	53	52	47	49
DK,NA	1	2	2	2	1	2	1	2	2	1	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	682	709	696	707	700	714	680	673	704	689	701

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

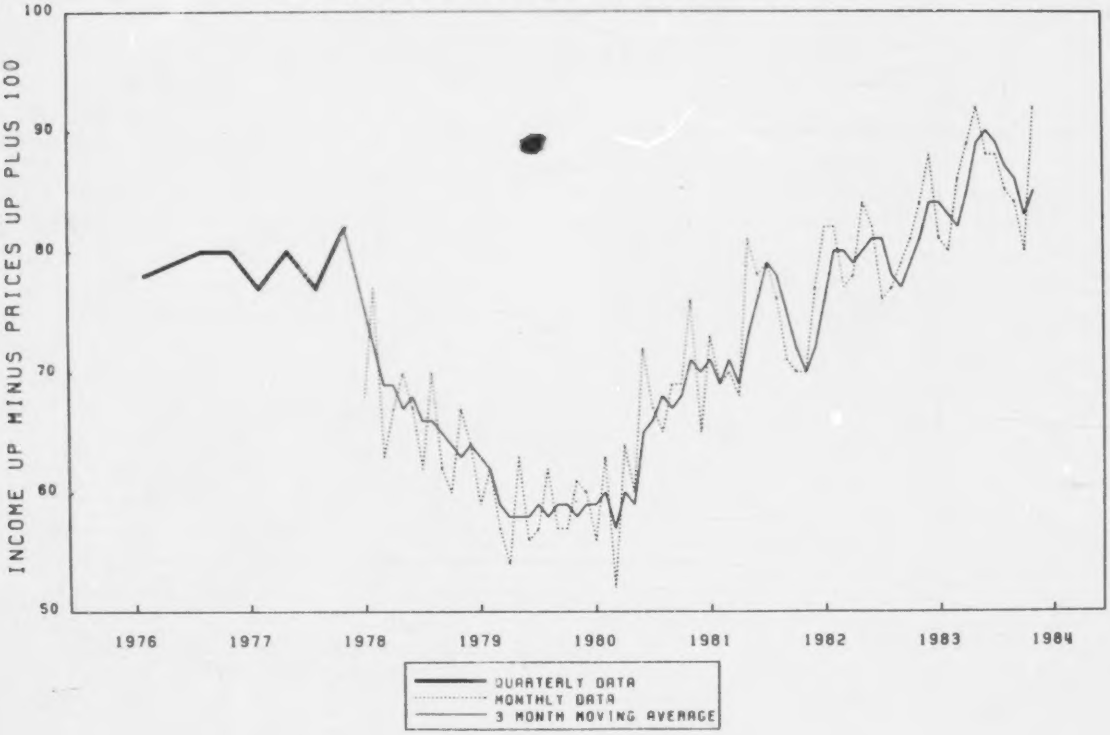


TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
INCOME UP MORE	19%	21%	19%	16%	21%	19%	24%	20%	22%	19%	19%	18%	23%
INCOME UP SAME	42	44	40	44	41	46	42	46	41	43	44	41	42
PRICES UP MORE	35	33	38	36	35	30	32	32	34	34	35	38	31
DK,NA	4	2	3	4	3	5	2	2	3	4	2	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	682	709	696	707	700	714	680	673	704	689	701

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

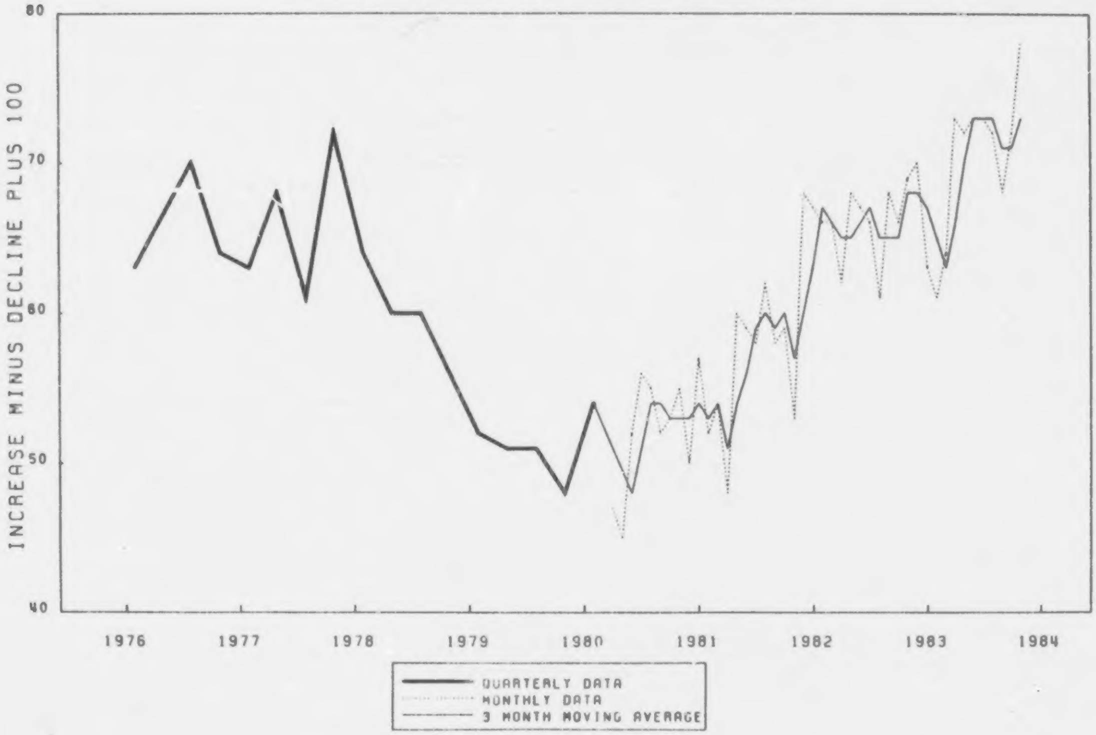


TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
REAL INCOME PROGRESS:													
Continuous increase (a)	9%	8%	8%	8%	10%	9%	10%	9%	10%	10%	8%	11%	13%
Intermittent increase (b)	10	11	9	8	8	11	10	12	13	13	10	10	12
Remain unchanged (c)	19	21	18	17	15	21	19	21	17	16	21	20	17
Intermittent decline (d)	25	25	24	27	27	23	23	23	23	24	23	21	23
Continuous decline (e)	25	24	30	28	27	24	25	25	27	27	27	28	24
Mixed change (f)	7	7	7	7	9	7	11	7	7	6	8	7	7
DK,NA	5	4	4	5	4	5	2	3	3	4	3	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	682	709	696	707	700	714	680	673	704	689	701

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

CHART 12 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

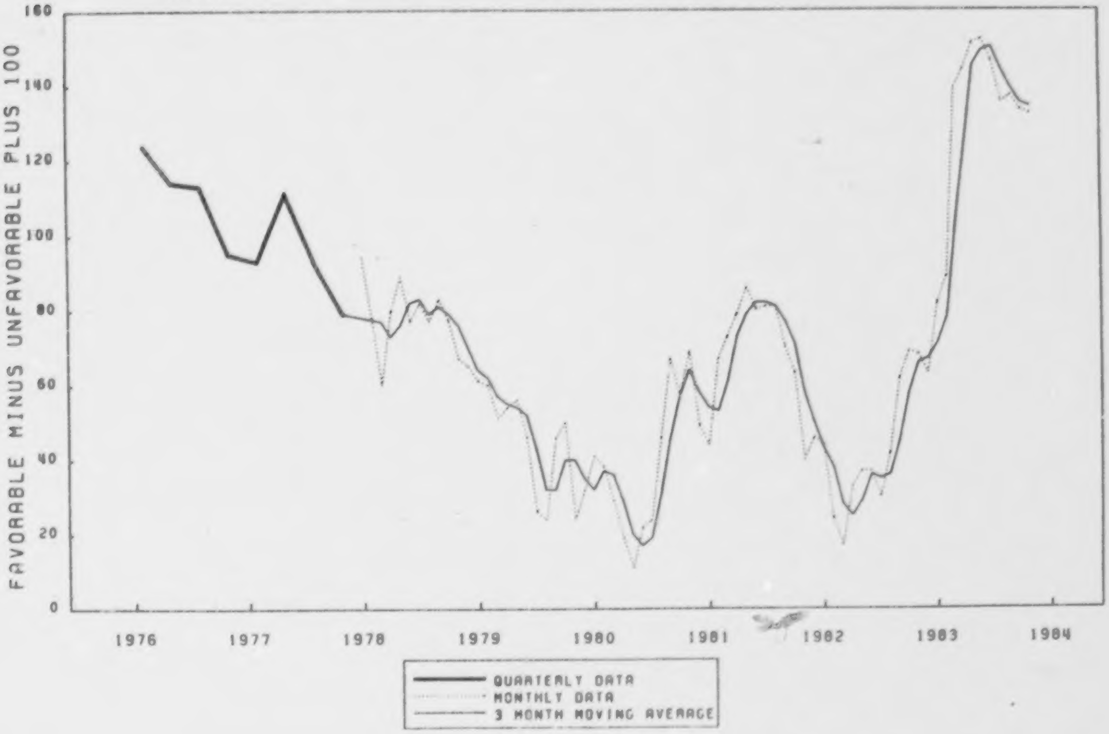


CHART 12 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

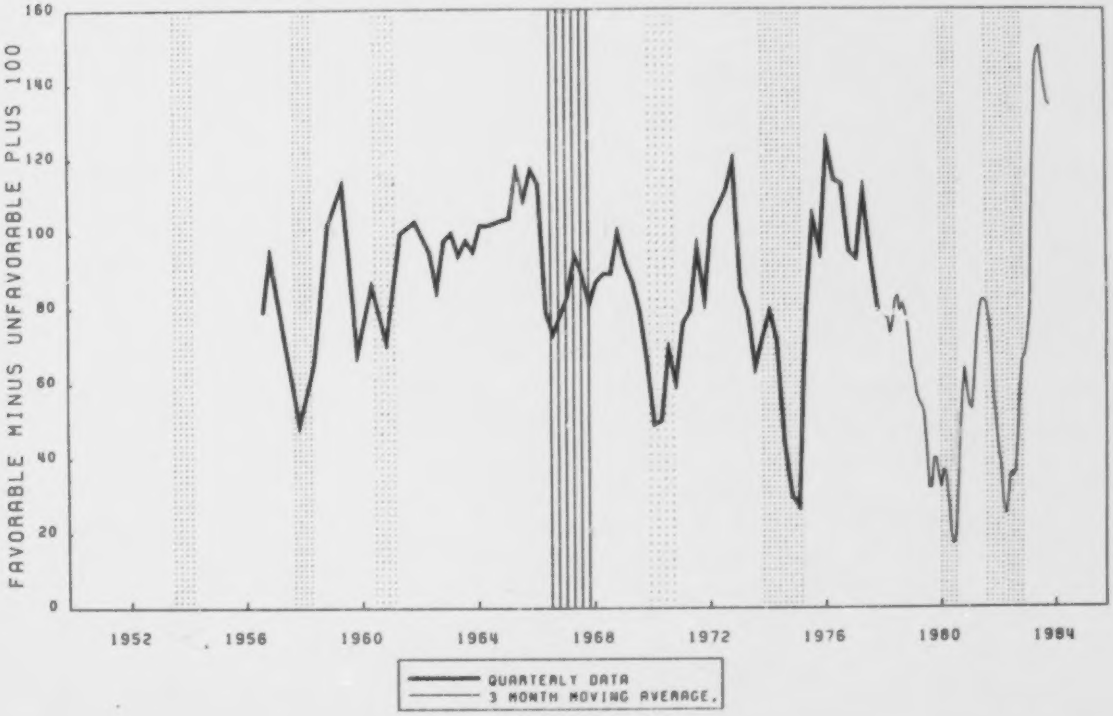


TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
FAVORABLE NEWS	40%	39%	47%	49%	79%	76%	80%	83%	74%	69%	64%	63%	62%
UNFAVORABLE NEWS	72	76	65	60	40	32	29	31	28	34	27	30	30
NO MENTIONS	29	27	28	32	28	32	31	27	34	34	43	41	39

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 13A - HISTORICAL SERIES

TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

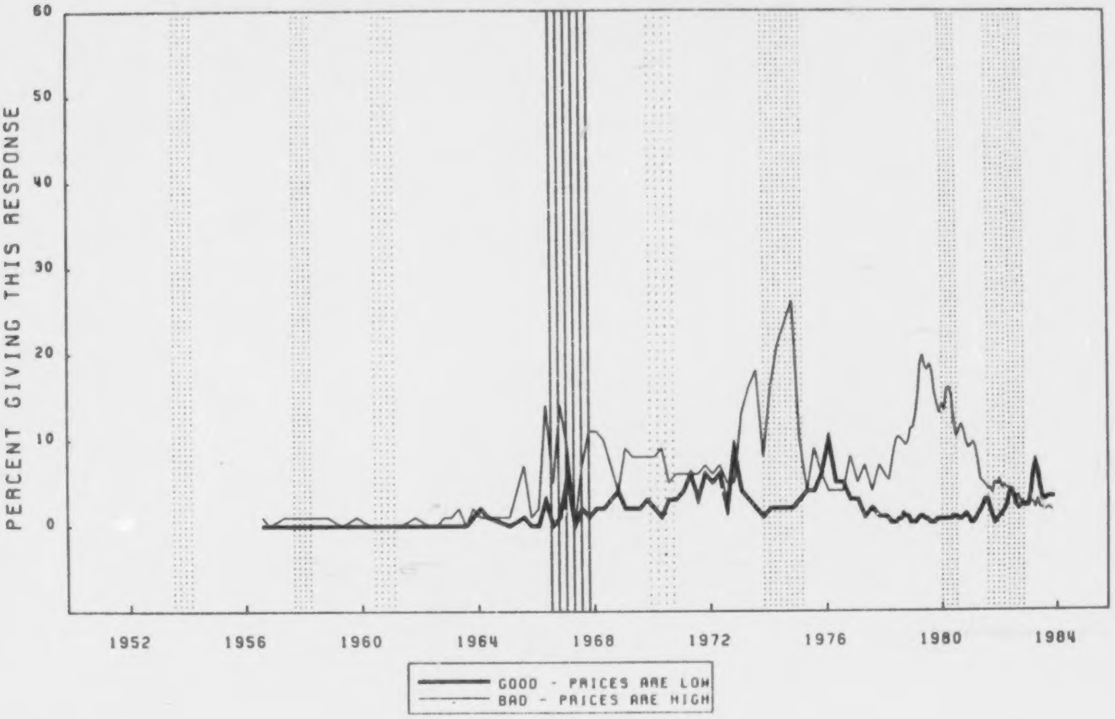


CHART 13B - HISTORICAL SERIES

TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

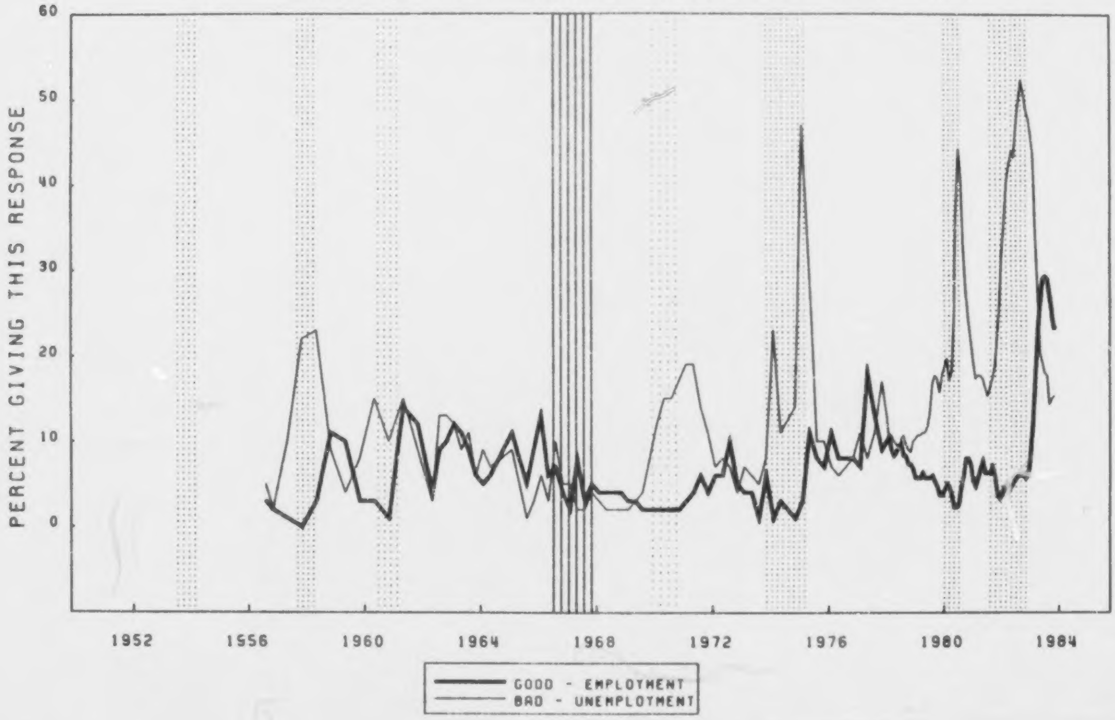


TABLE 13

SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
FAVORABLE NEWS:													
Government; elections	2%	2%	3%	2%	2%	2%	1%	1%	2%	2%	1%	2%	2%
Employment	6	7	12	17	22	29	28	31	29	27	25	23	22
Consumer demand high	2	3	4	6	8	8	11	12	11	13	11	11	13
Prices are low	2	2	3	6	9	7	3	3	3	3	4	3	3
Credit is easy	18	15	15	9	17	15	16	17	11	8	8	7	5
UNFAVORABLE NEWS:													
Government; elections	2	3	3	4	2	3	3	2	2	3	1	1	2
Unemployment	47	49	43	39	24	20	17	21	16	16	11	18	17
Consumer demand low	7	8	5	3	3	3	2	2	2	2	1	1	2
Prices are high	3	2	3	3	2	1	3	2	1	2	3	1	1
Credit is tight	1	1	2	1	*	1	1	1	3	6	4	2	1
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

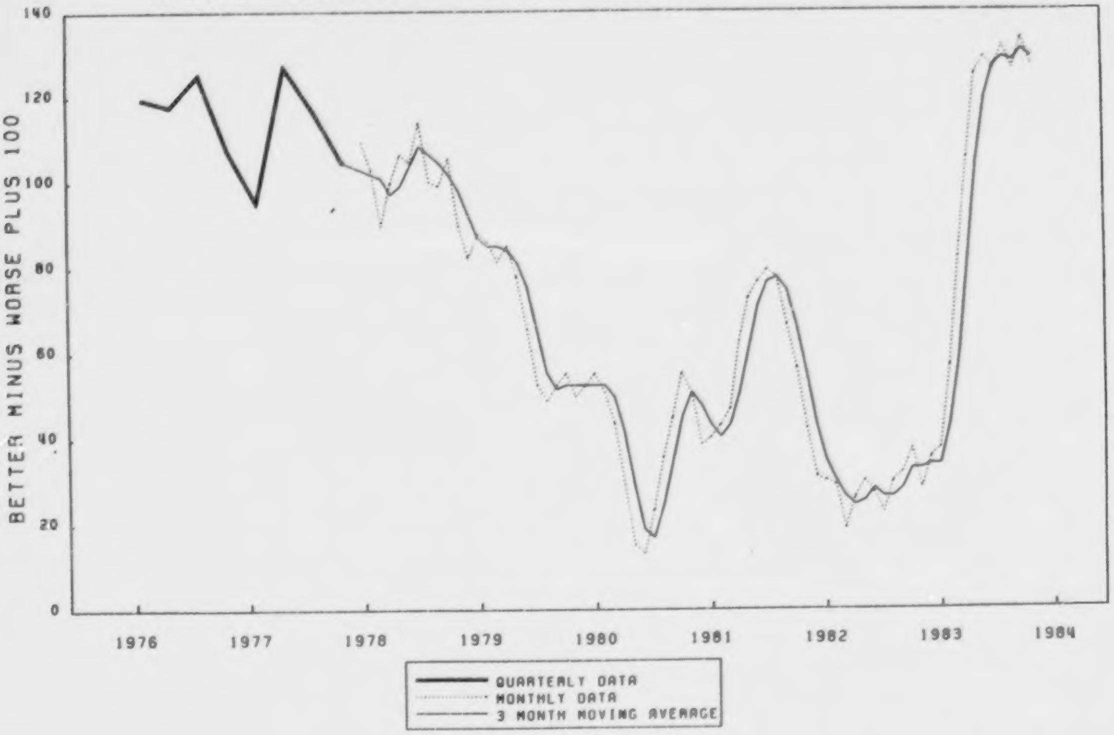


CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

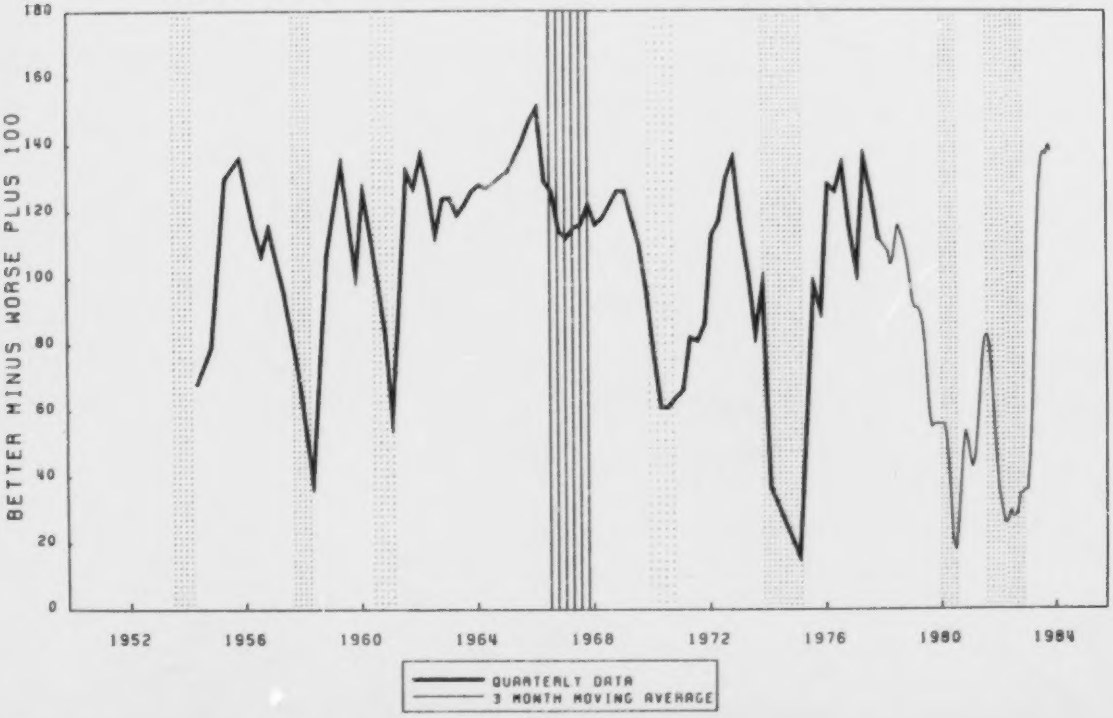


TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
BETTER NOW	12%	14%	16%	26%	39%	51%	62%	64%	63%	66%	62%	66%	63%
SAME	5	9	8	8	10	10	10	9	8	8	10	9	8
WORSE NOW	82	76	76	65	51	38	28	26	28	25	27	23	27
DK,NA	1	1	*	1	*	1	*	1	1	1	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	682	709	696	707	700	714	680	673	704	689	701

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

* : Less than half of one percent.

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

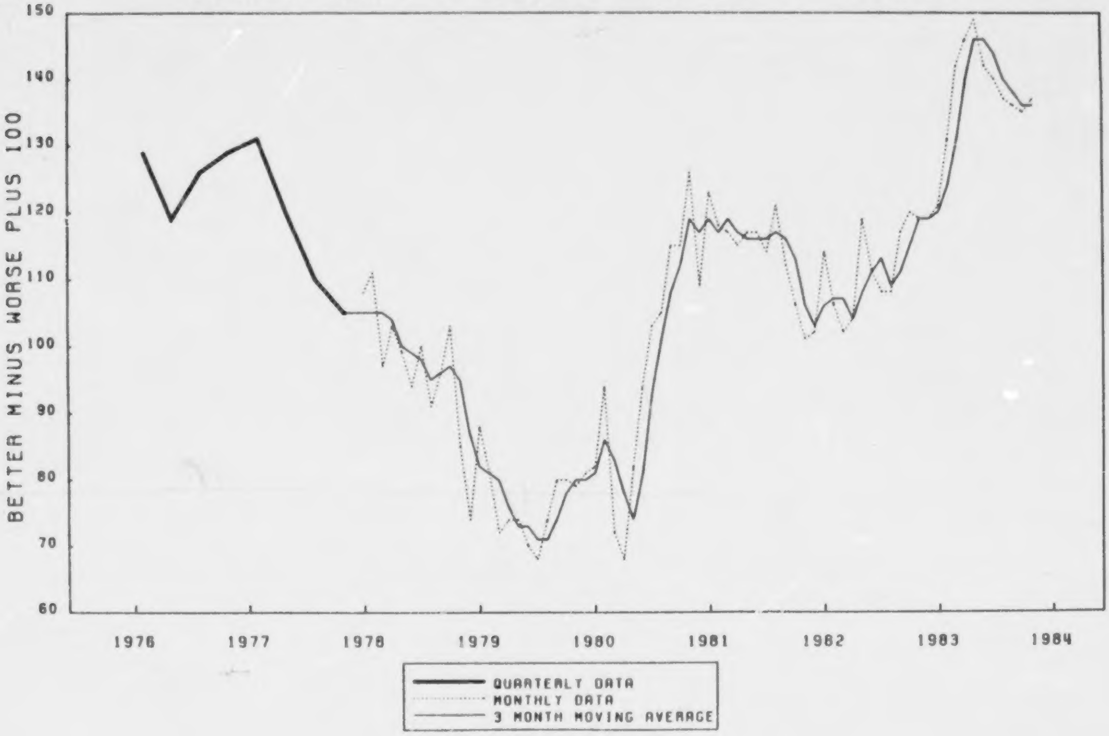


CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

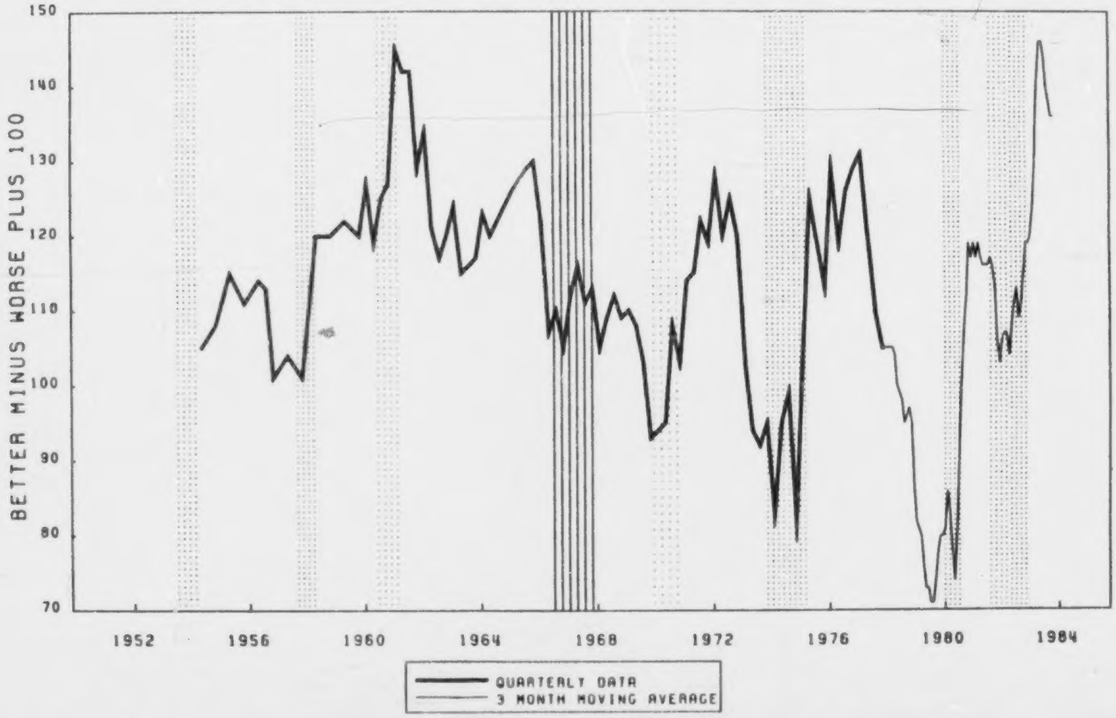


TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
BETTER	38%	39%	38%	45%	51%	53%	55%	49%	48%	47%	46%	46%	46%
SAME	41	41	43	40	39	38	38	42	42	42	42	41	43
WORSE	19	20	17	14	9	7	6	7	8	10	10	11	9
DK,NA	2	*	2	1	1	2	1	2	2	1	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	682	709	696	707	700	714	680	673	704	689	701

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

* : Less than half of one percent.

CHART 16A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

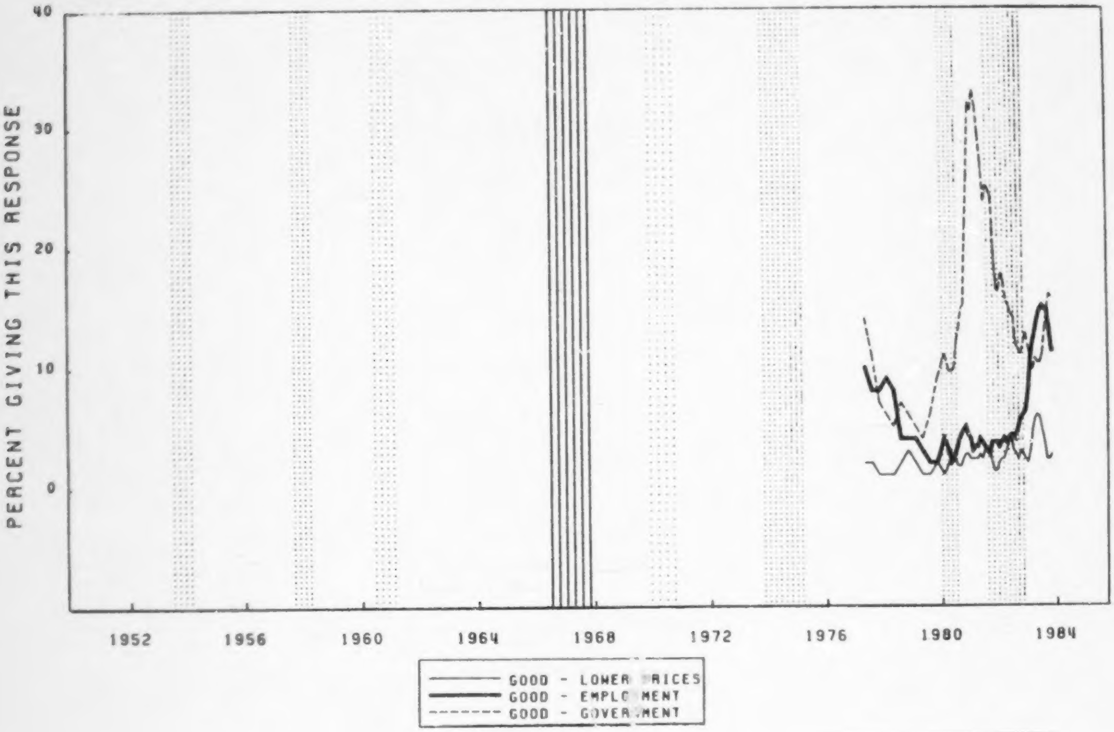


CHART 16B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

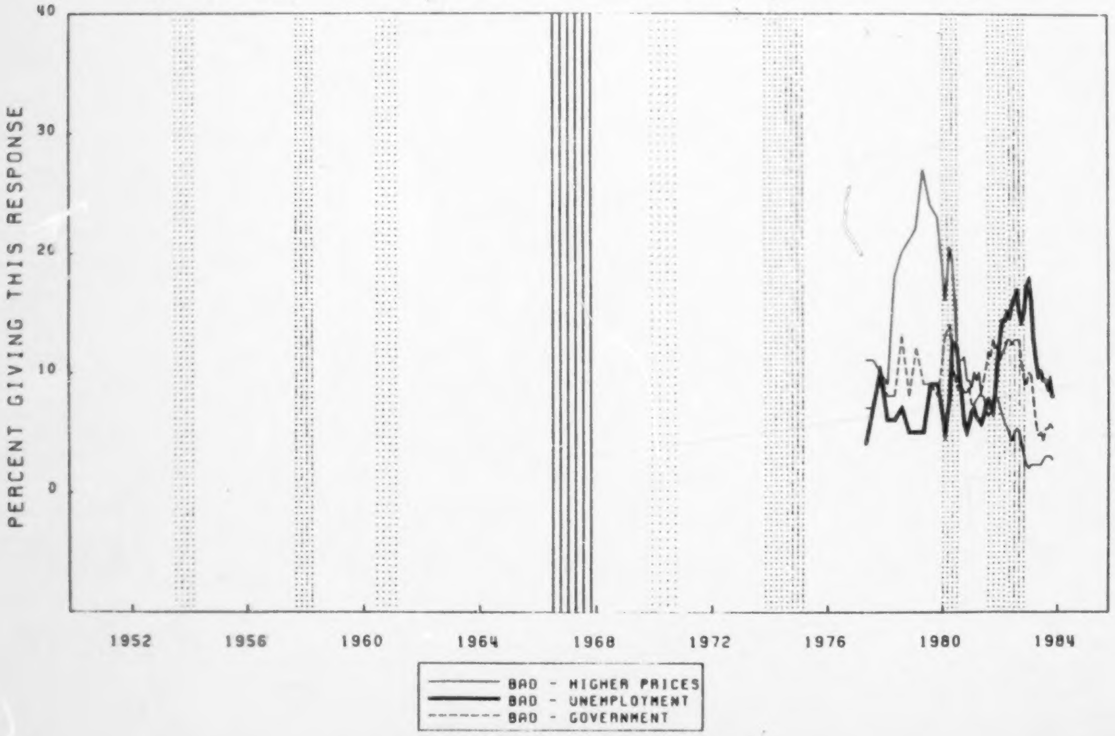


TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
FAVORABLE REASONS:													
Government; elections	14%	13%	8%	11%	10%	11%	10%	10%	13%	16%	15%	17%	15%
Employment	5	8	11	13	12	14	16	14	15	15	14	10	10
Higher consumer demand	4	6	5	7	6	9	10	9	7	6	7	8	8
Lower prices	1	2	3	4	7	6	5	6	3	2	2	3	2
Easier credit	12	12	12	12	13	14	12	12	7	6	5	6	4
UNFAVORABLE REASONS:													
Government; elections	8	11	11	7	5	5	4	6	4	6	6	5	5
Unemployment	18	20	15	13	10	10	9	11	8	9	9	10	8
Lower consumer demand	5	5	4	4	2	4	2	2	4	3	1	3	2
Higher prices	2	2	2	3	2	2	3	2	3	4	2	3	3
Tighter credit	3	2	2	2	1	2	2	3	4	3	2	2	2
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

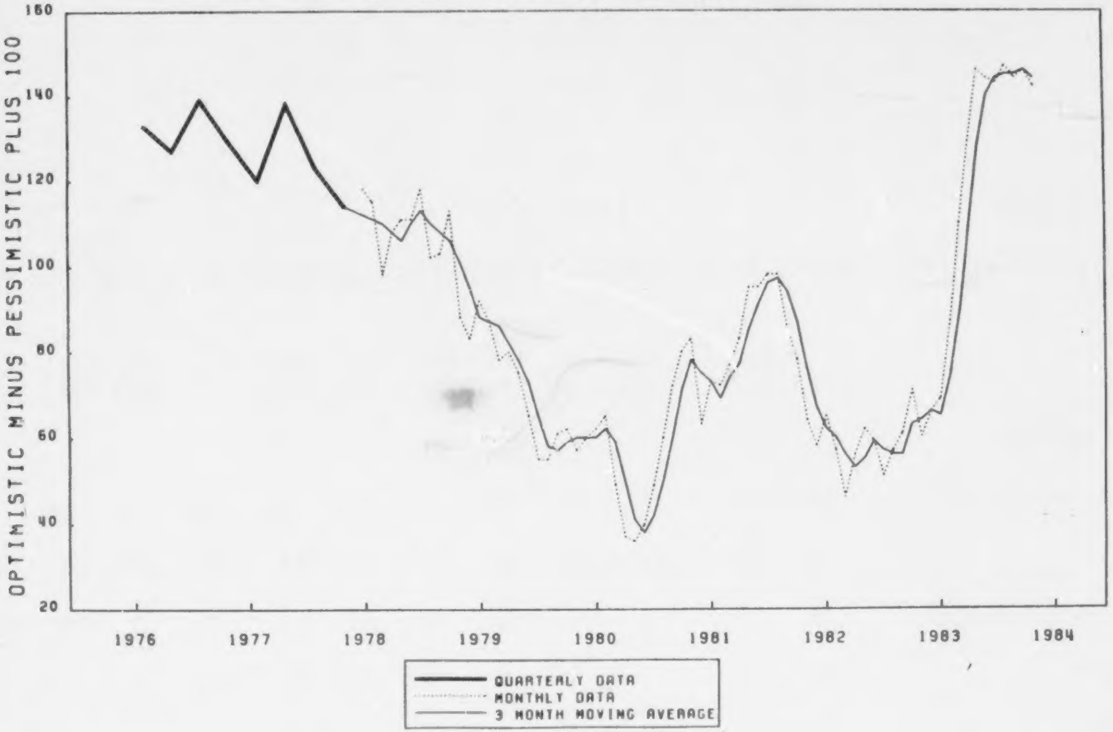


CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

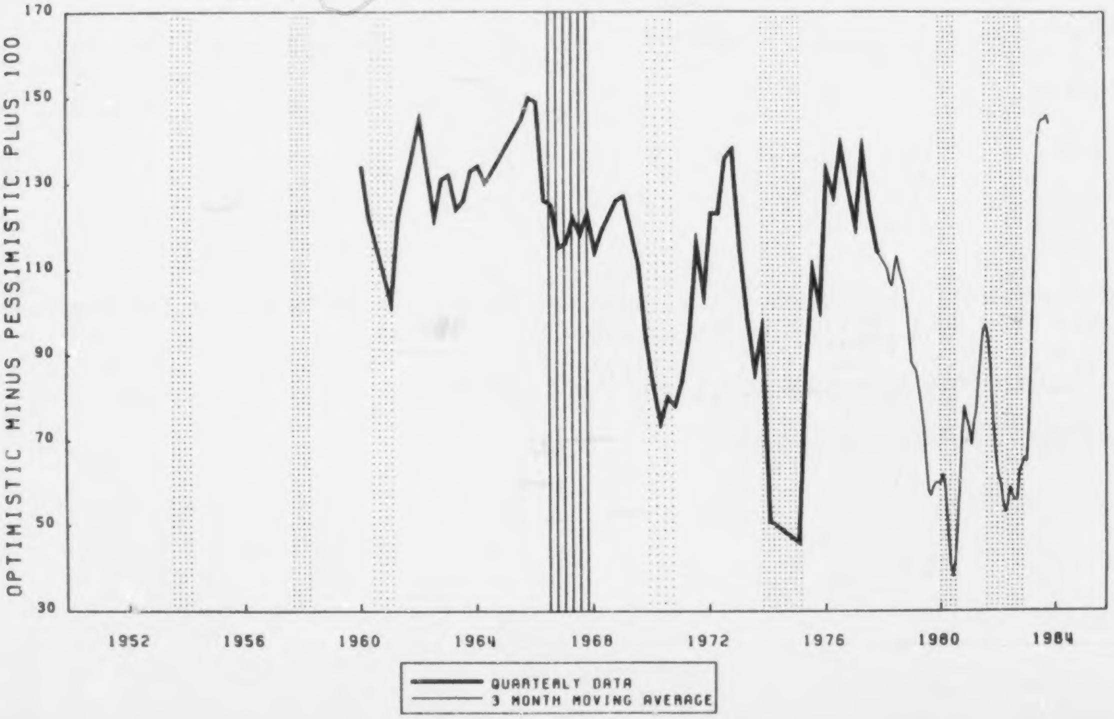


TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
TREND:													
Continuous increase (a)	8%	8%	11%	18%	28%	36%	42%	39%	39%	38%	34%	39%	36%
Intermittent increase (b)	7	9	9	11	15	18	23	26	24	27	28	26	27
Remain unchanged (c)	1	4	3	4	4	5	5	5	5	6	7	5	4
Intermittent decline (d)	37	33	35	29	25	19	14	16	15	12	12	13	17
Continuous decline (e)	18	18	16	13	8	6	5	5	5	6	6	6	4
Mixed change (f)	27	27	24	23	18	14	10	7	9	9	10	7	9
DK,NA	2	1	2	2	2	2	1	2	3	2	3	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	682	709	696	707	700	714	680	673	704	689	701

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

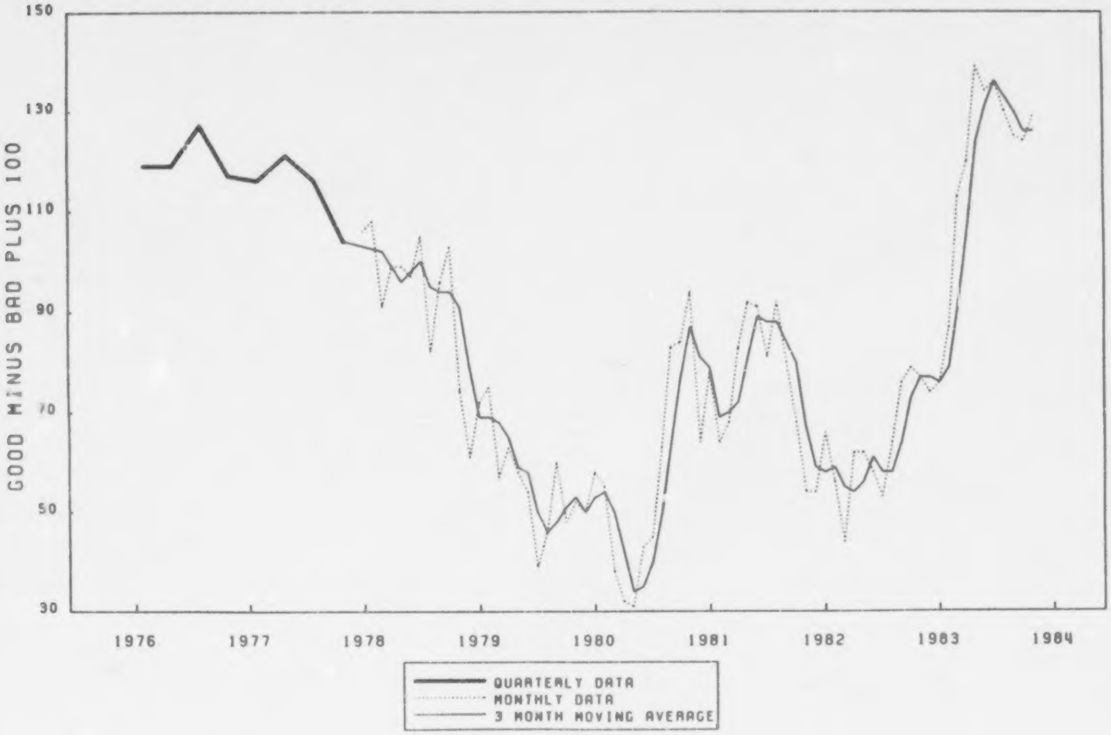


CHART 18 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

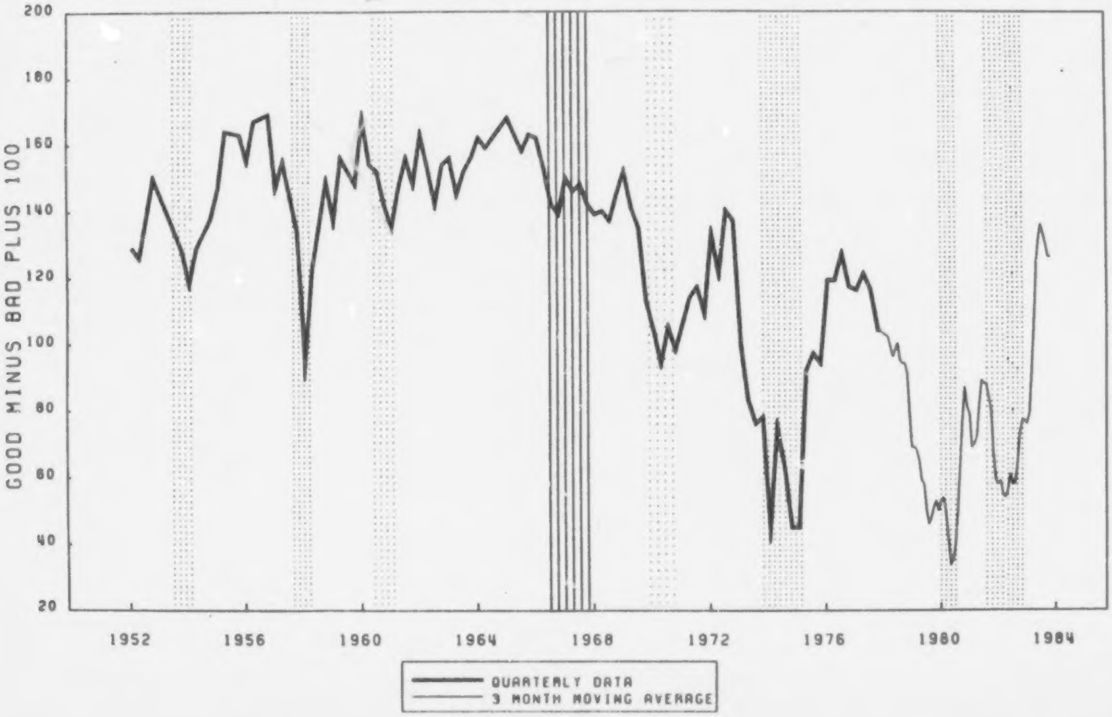


TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
GOOD TIMES	33%	32%	34%	39%	52%	56%	65%	63%	63%	60%	58%	58%	59%
UNCERTAIN; GOOD & BAD	4	2	1	1	2	1	2	3	3	3	2	3	3
BAD TIMES	56	58	58	52	39	36	26	29	27	30	33	34	30
DON'T KNOW	3	5	3	3	4	3	4	3	6	5	5	4	6
NOT ASCERTAINED	4	3	4	5	3	4	3	2	1	2	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	682	709	696	707	700	714	680	673	704	689	701

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

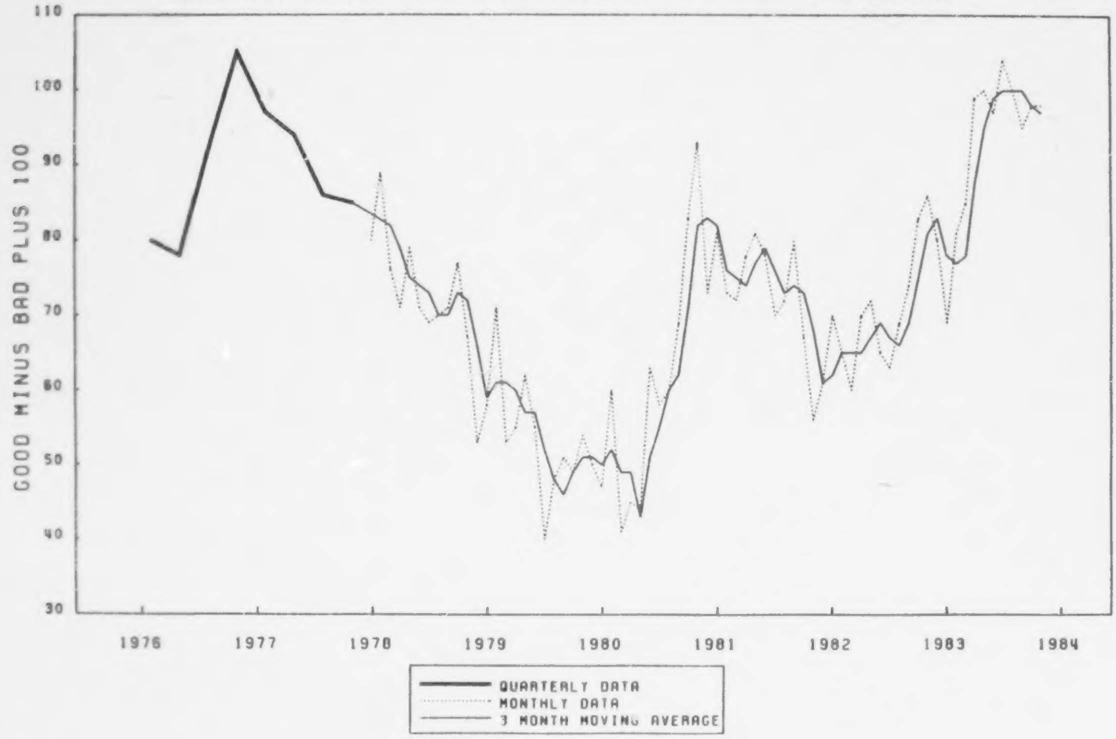


CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

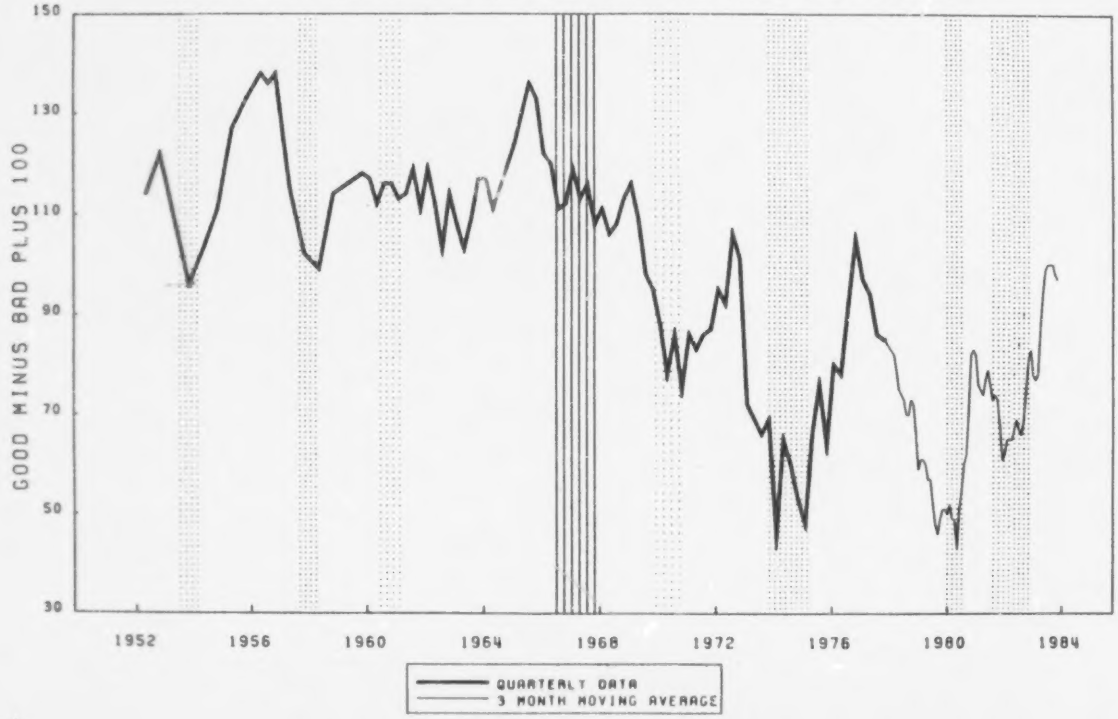


TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
GOOD TIMES	33%	29%	26%	31%	33%	38%	39%	39%	39%	37%	37%	39%	39%
UNCERTAIN; GOOD & BAD	14	14	12	13	15	18	18	15	20	22	19	17	15
BAD TIMES	47	49	57	50	48	39	39	42	35	37	42	41	41
NOT ASCERTAINED	6	8	5	6	4	5	4	4	6	4	2	3	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	682	709	696	707	700	714	680	673	704	689	701

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

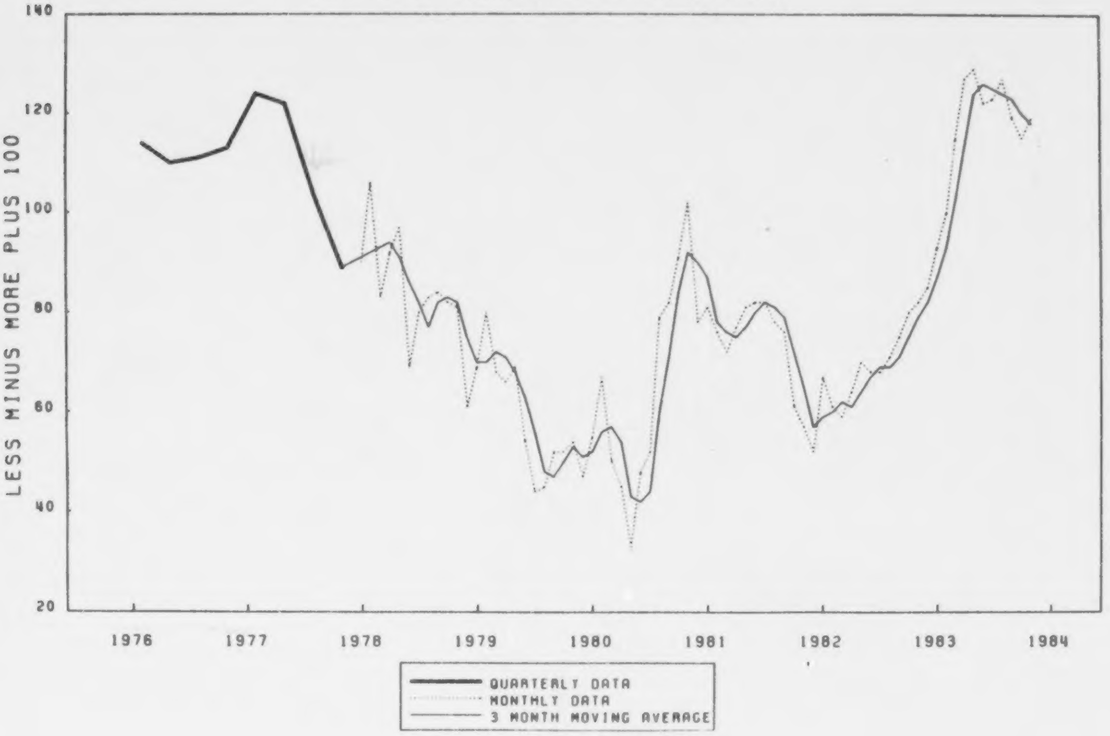


CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

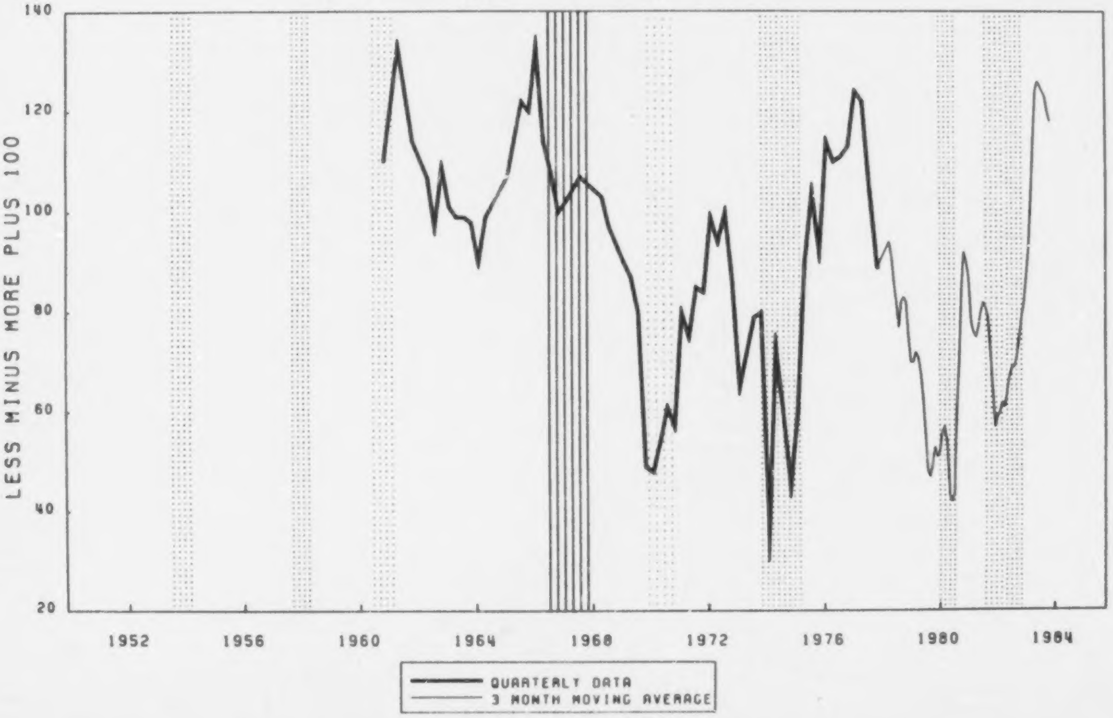


TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
LESS	19%	22%	23%	29%	36%	42%	42%	37%	39%	42%	36%	35%	35%
SAME	42	40	45	41	43	41	44	47	44	40	46	44	47
MORE	37	37	30	29	21	15	13	15	16	15	17	20	16
DK,NA	2	1	2	1	*	2	1	1	1	3	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	682	709	696	707	700	714	680	673	704	689	701

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

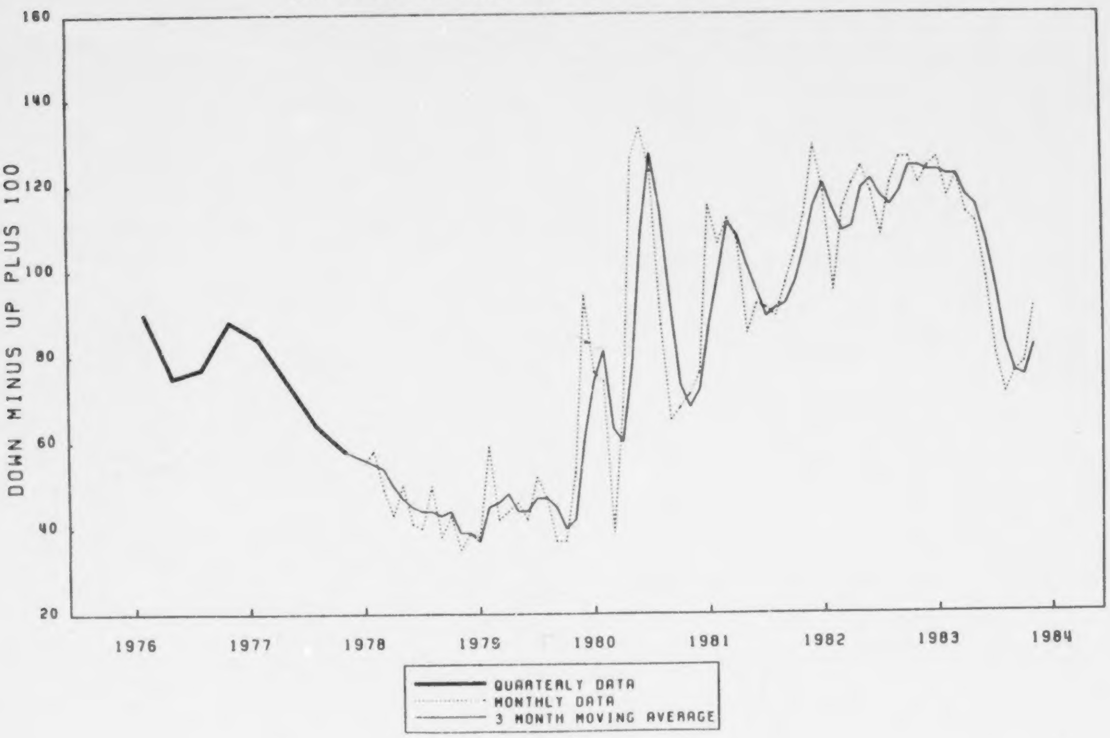


CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

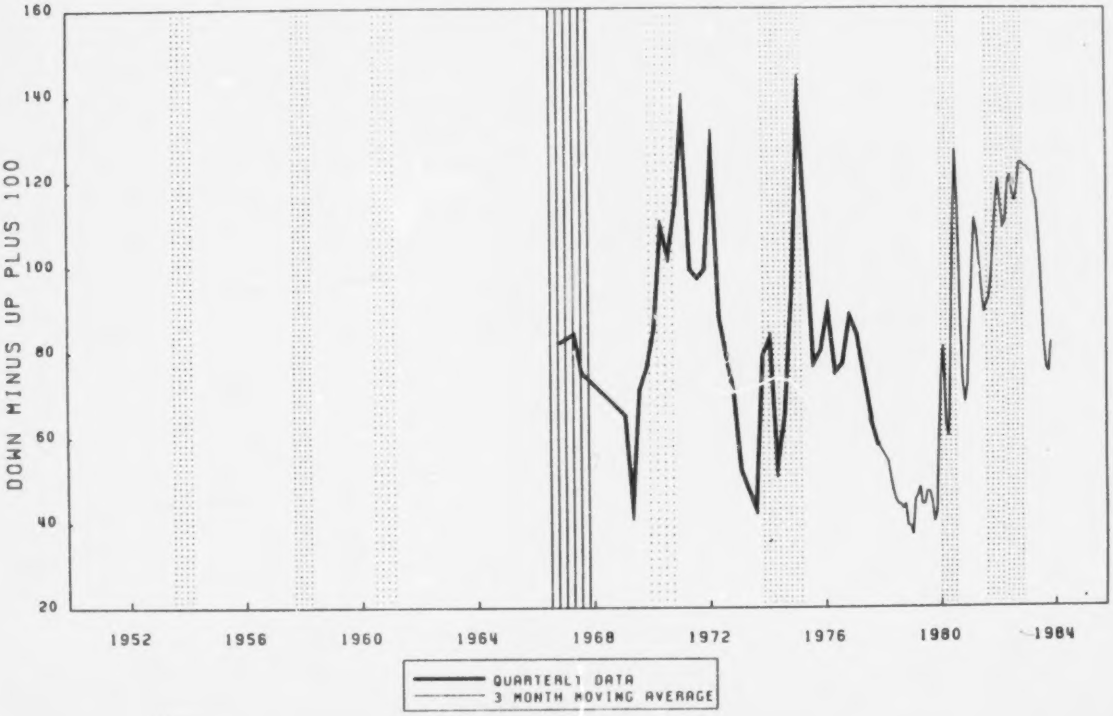


CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
GO UP	25%	20%	18%	24%	19%	21%	20%	29%	40%	47%	44%	43%	33%
STAY THE SAME	26	33	35	32	38	42	47	42	37	32	33	33	40
GO DOWN	45	44	44	41	41	34	31	27	20	18	20	21	24
DK,NA	4	3	3	3	2	3	2	2	3	3	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	682	709	696	707	700	714	680	673	704	689	701

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22 - RECENT CHANGES
CHANGE IN PRICES DURING THE LAST 12 MONTHS

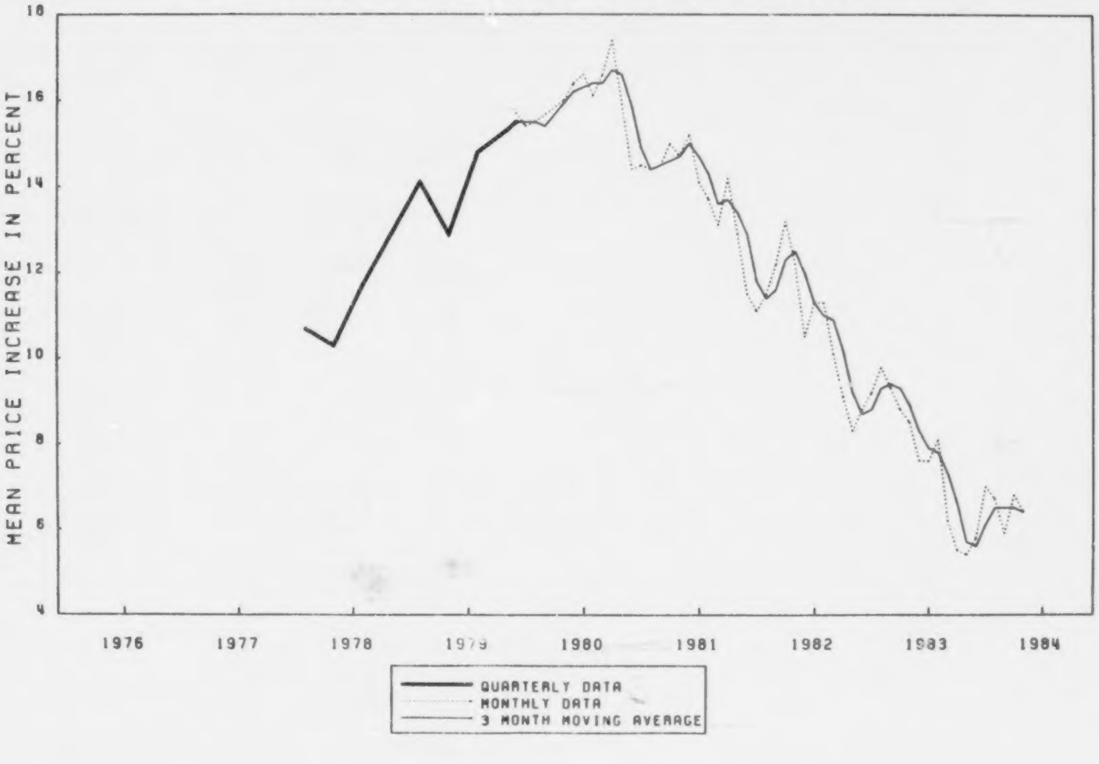


TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
SAME OR DOWN	20%	20%	23%	24%	31%	30%	31%	29%	23%	25%	25%	21%	24%
GONE UP BY:													
1-2%	5	6	7	5	6	8	9	8	8	8	11	8	9
3-4%	9	9	11	10	10	10	13	13	14	14	13	14	13
5%	15	17	17	15	12	17	13	14	13	16	15	16	15
6-9%	12	12	9	10	9	9	8	11	11	8	7	11	8
10-14%	14	17	15	14	15	11	14	11	13	13	12	14	14
15% or more	18	14	12	16	11	9	8	10	11	11	9	11	9
DK how much up	6	5	5	5	5	5	4	3	6	5	7	4	7
DK,NA	1	*	1	1	1	1	*	1	1	*	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	8.5	7.6	7.6	8.1	6.2	5.5	5.4	5.8	7.0	6.7	5.9	6.8	6.4
VARIANCE	102	82	108	113	71	64	61	65	88	93	71	81	76
CASES	682	682	682	709	696	707	700	714	680	673	704	689	701

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

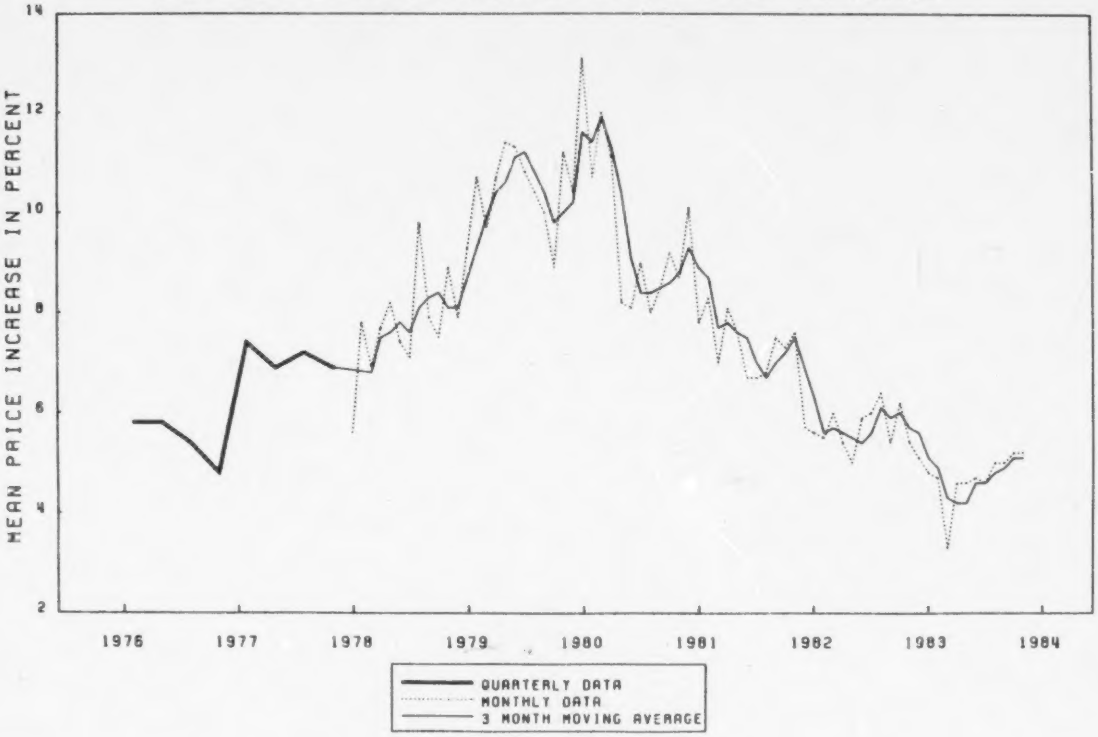


CHART 23 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

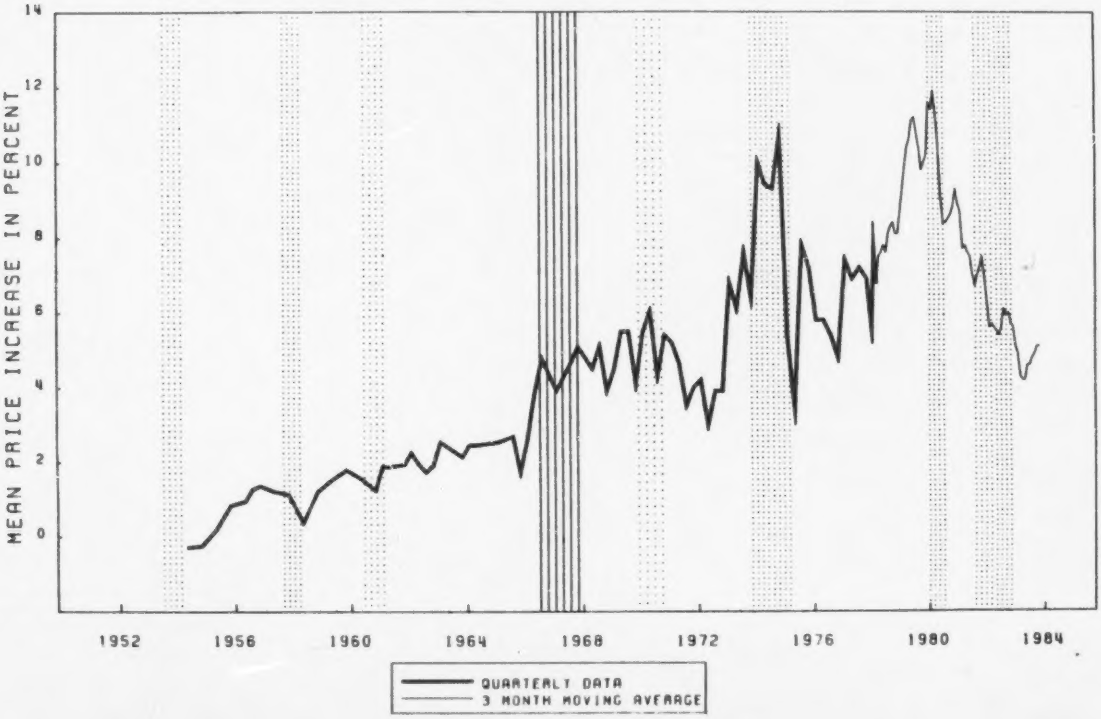


TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
SAME OR DOWN	32%	33%	35%	36%	44%	30%	32%	33%	29%	23%	28%	24%	25%
WILL GO UP BY:													
1-2%	5	6	10	8	9	10	9	8	12	14	13	12	12
3-4%	10	13	11	12	12	13	13	15	15	16	14	15	14
5%	15	15	16	15	14	17	17	16	15	16	16	15	16
6-9%	11	9	7	9	5	10	10	9	9	9	7	10	9
10-14%	12	11	9	8	8	9	10	9	9	9	10	11	11
15% or more	9	8	7	7	4	5	5	6	6	6	7	8	6
DK how much up	3	3	3	3	3	4	3	3	3	5	4	4	5
DK,NA	3	2	2	2	1	2	1	1	2	2	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	5.4	5.1	4.8	4.7	3.3	4.6	4.6	4.7	4.6	5.0	5.0	5.2	5.2
VARIANCE	55	56	67	60	33	45	49	54	44	47	51	36	54
CASES	682	682	682	709	696	707	700	714	680	673	704	689	701

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

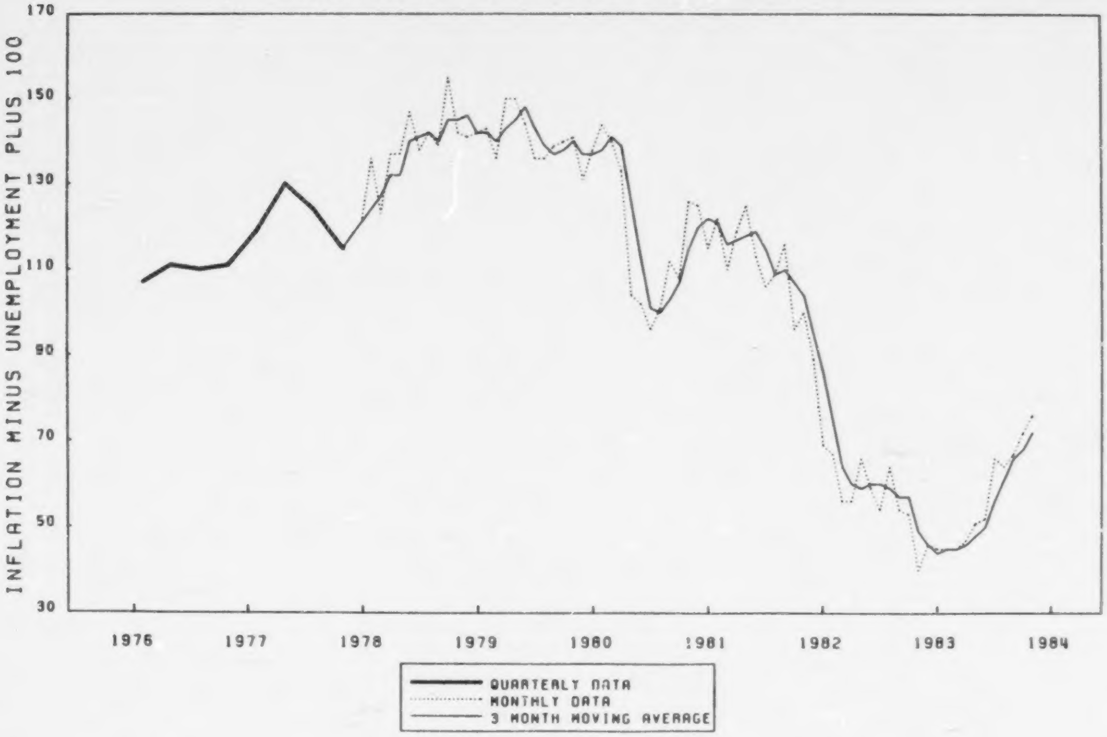


CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

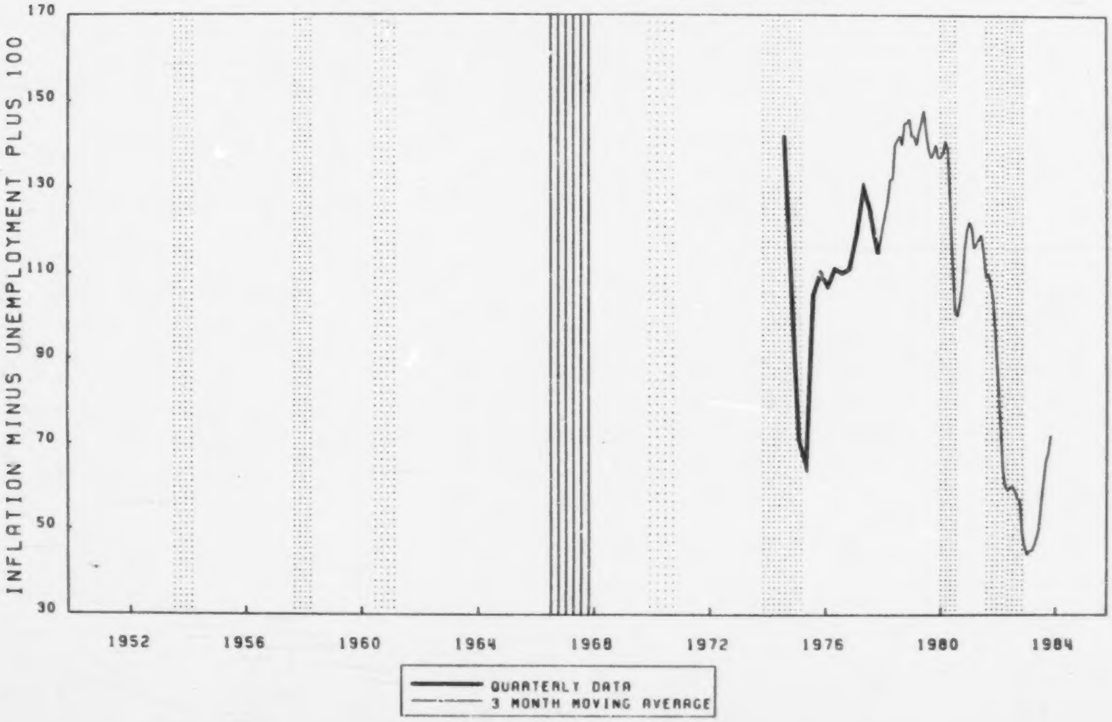


TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
UNEMPLOYMENT	76%	72%	74%	73%	73%	73%	71%	70%	63%	65%	62%	61%	57%
BOTH EQUALLY SERIOUS	7	9	5	8	8	6	6	7	6	5	8	5	7
INFLATION	16	18	19	18	18	20	22	22	29	29	29	33	33
DK,NA	1	1	2	1	1	1	1	1	2	1	1	1	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	682	709	696	707	700	714	680	673	704	689	701

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

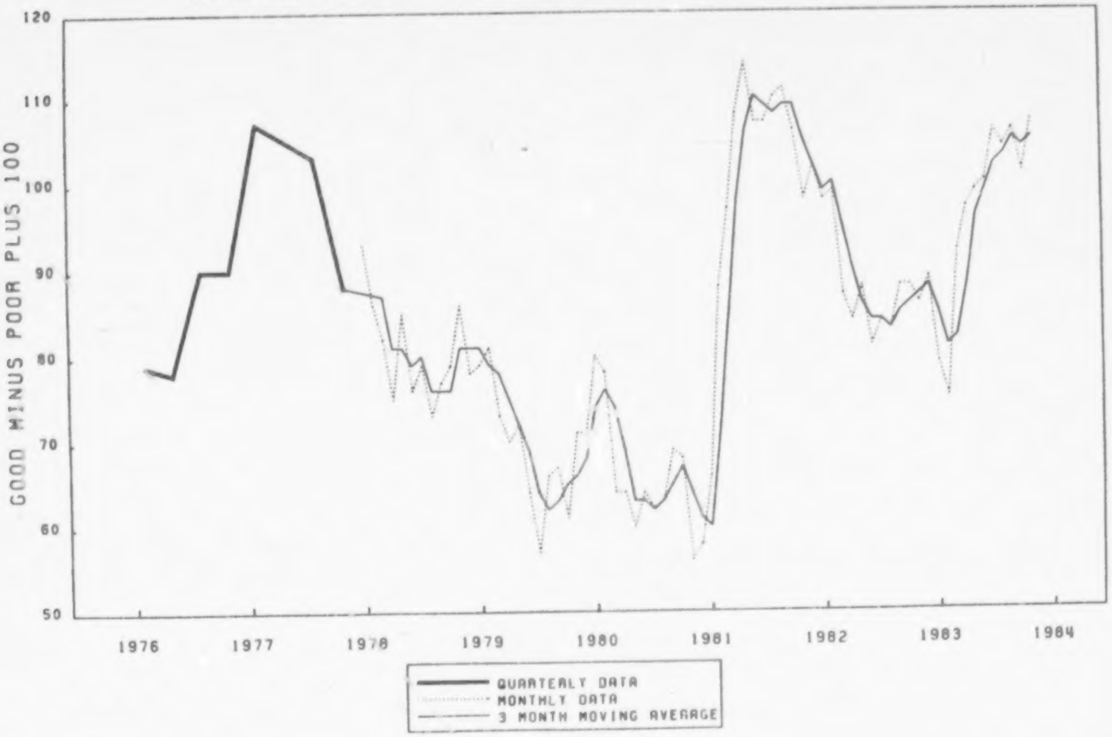


CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

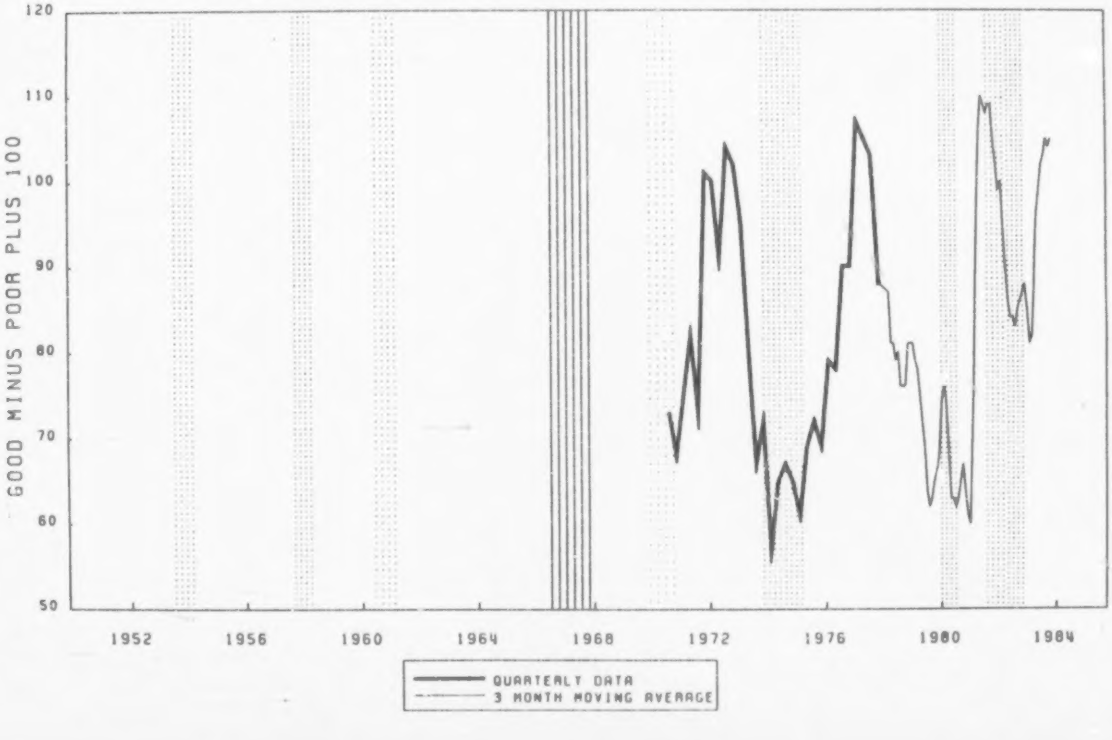


TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
A GOOD JOB	19%	19%	16%	16%	21%	21%	20%	23%	27%	27%	27%	25%	27%
ONLY FAIR	45	47	45	40	48	53	57	52	51	48	50	50	49
A POOR JOB	33	30	37	41	29	24	21	23	21	23	21	24	20
DK,NA	3	4	2	3	2	2	2	2	1	2	2	1	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	682	709	696	707	700	714	680	673	704	689	701

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

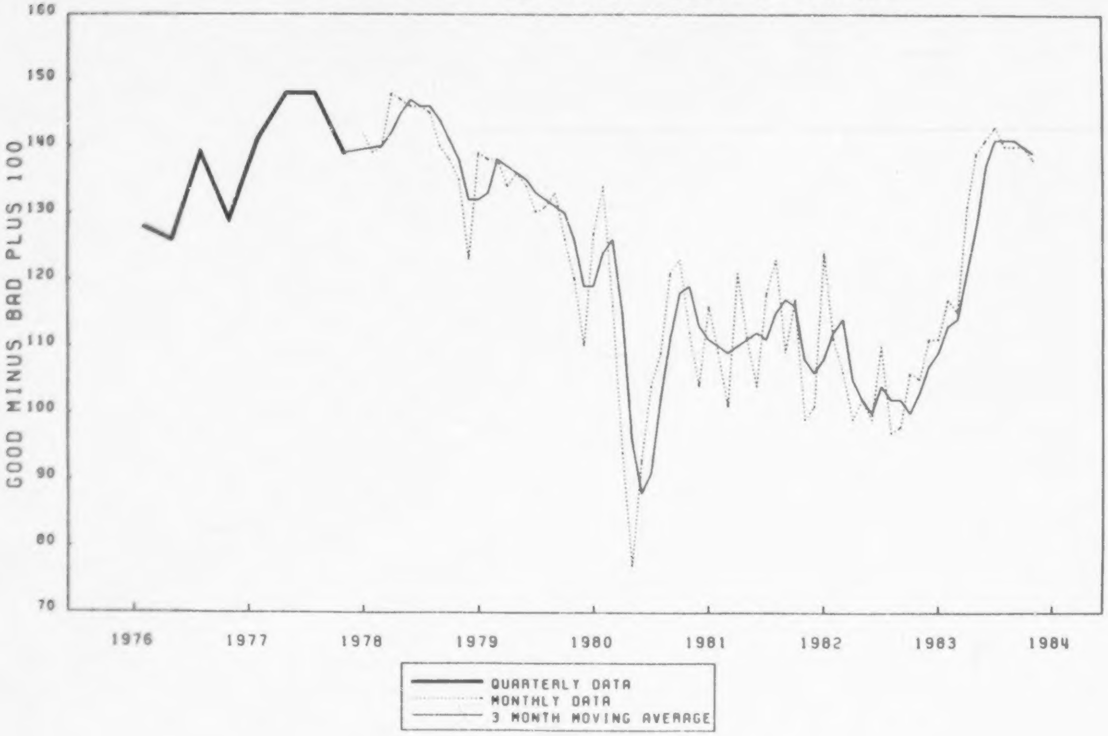


CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

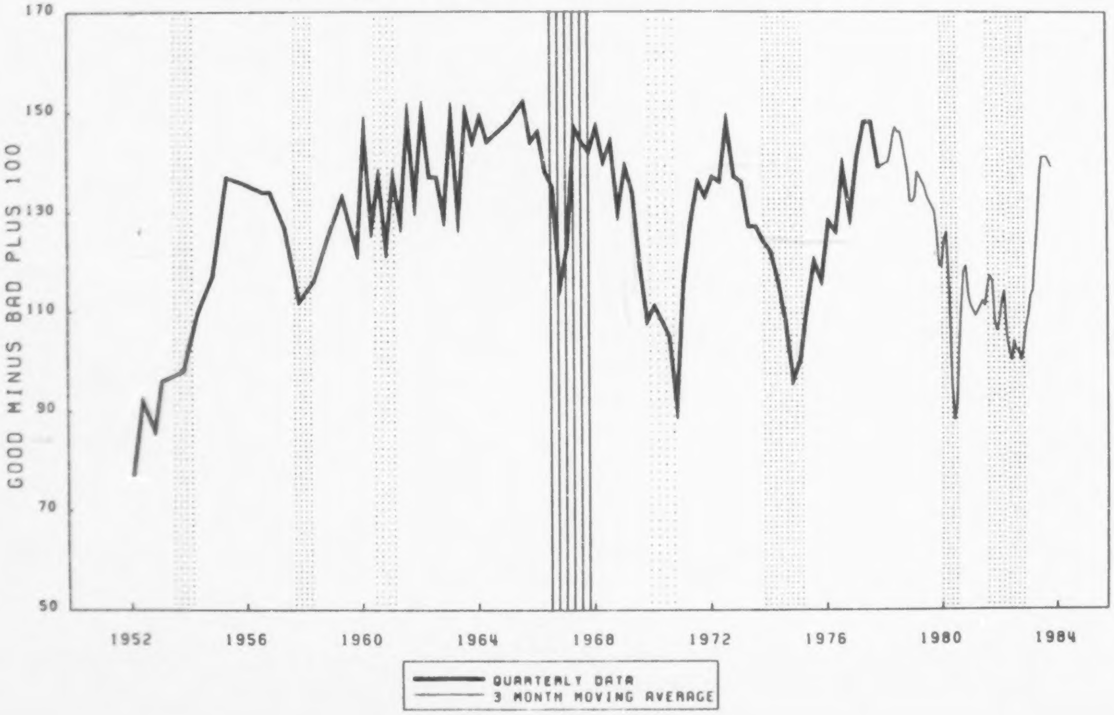


TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
GOOD TIME TO BUY	47%	50%	51%	54%	53%	61%	67%	66%	67%	64%	66%	65%	64%
UNCERTAIN, DEPENDS	11	11	9	9	9	9	5	9	9	12	8	10	10
BAD TIME TO BUY	42	39	40	37	38	30	28	25	24	24	26	25	26
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	682	709	696	707	700	714	680	673	704	689	701

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 27A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

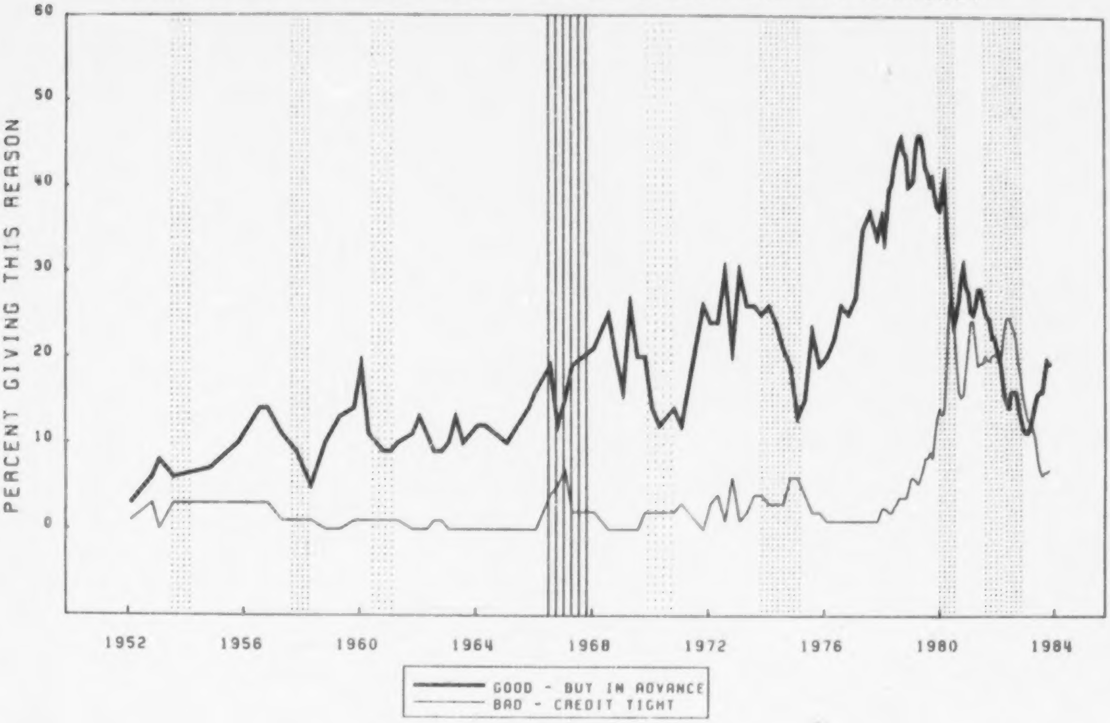


CHART 27B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

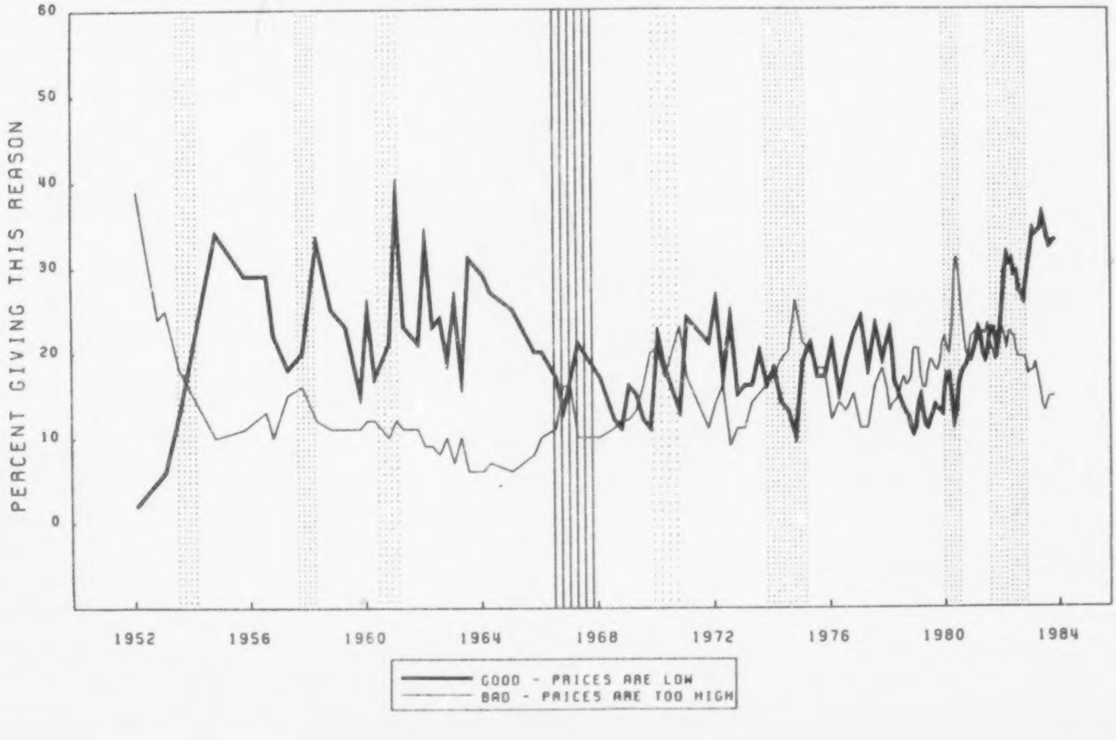


TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
GOOD TIME TO BUY:													
Prices are low; good buys available	31%	32%	33%	38%	30%	36%	37%	35%	32%	33%	32%	33%	34%
Prices won't come down; are going higher	11	10	13	11	12	15	17	15	16	17	21	21	16
Interest rates low; credit is easy	5	8	7	8	12	14	13	16	13	12	12	7	8
BAD TIME TO BUY:													
Prices are high	18	16	19	18	19	16	12	13	14	15	15	14	15
Interest rates are high; credit is tight	17	13	12	13	13	11	8	6	7	6	7	7	7
Lack of purchasing power	24	21	22	16	18	15	16	12	9	11	11	12	8

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

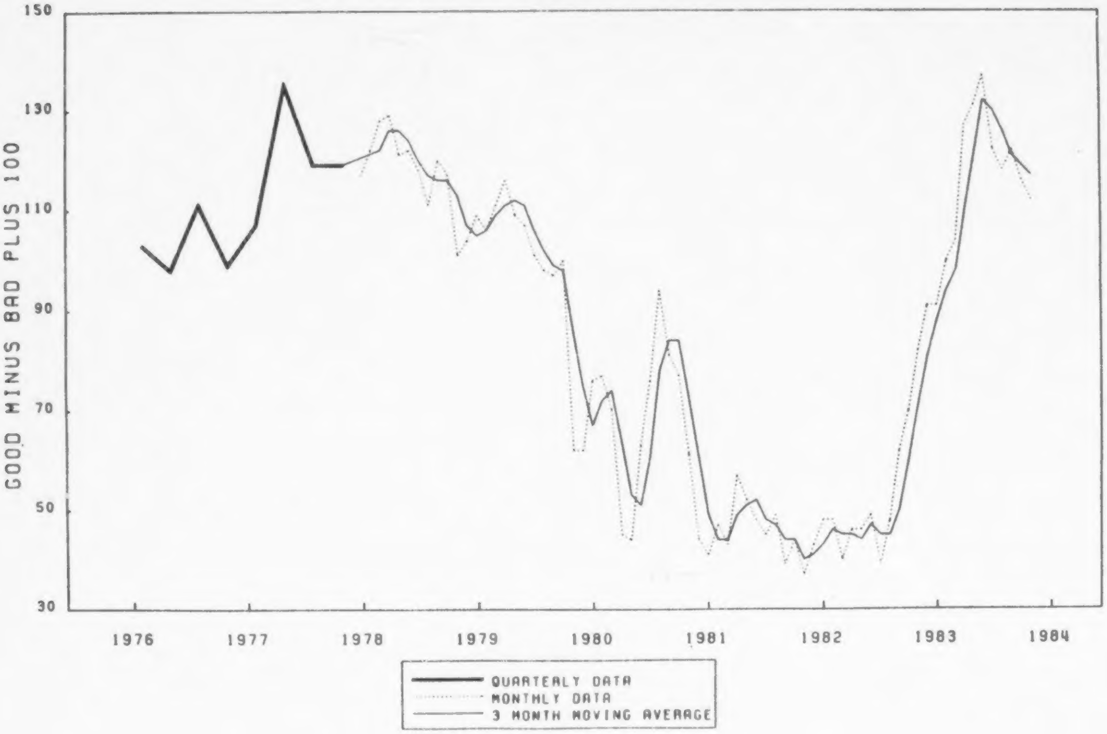


CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

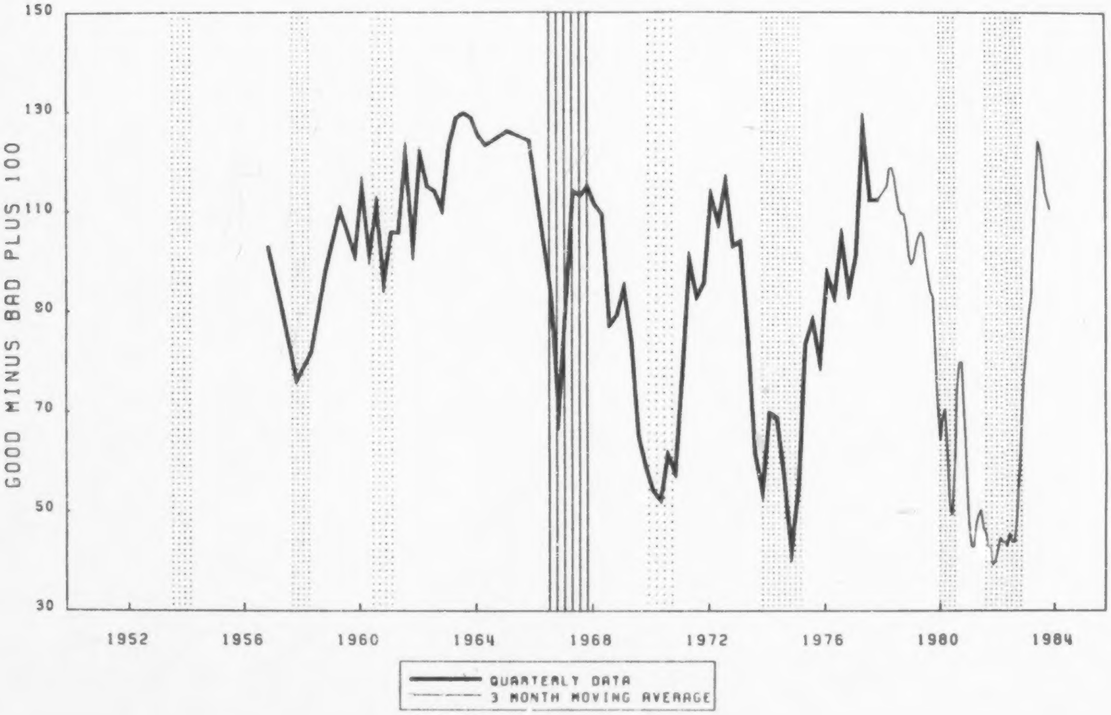


TABLE 28

BUYING CONDITIONS FOR HOUSES

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
GOOD TIME TO BUY	38%	44%	44%	49%	51%	61%	64%	66%	59%	57%	59%	55%	53%
UNCERTAIN, DEPENDS	6	3	3	2	2	5	3	5	4	4	4	6	6
BAD TIME TO BUY	56	53	53	49	47	34	33	29	37	39	37	39	41
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	682	709	696	707	700	714	680	673	704	689	701

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 29A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

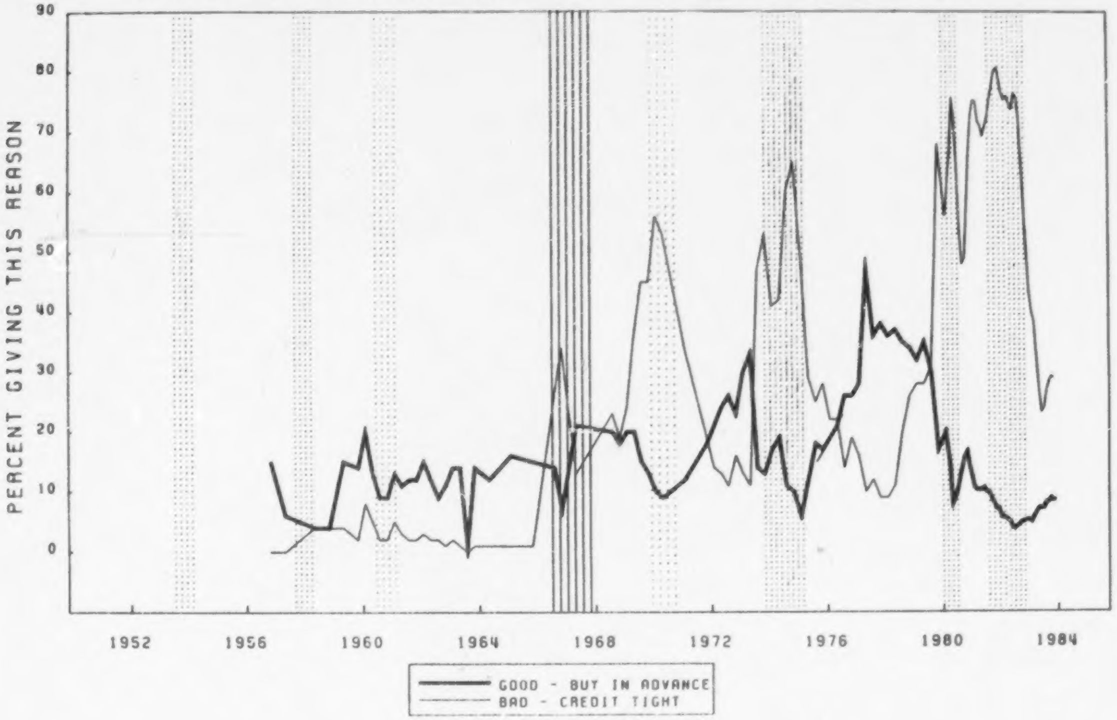


CHART 29B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

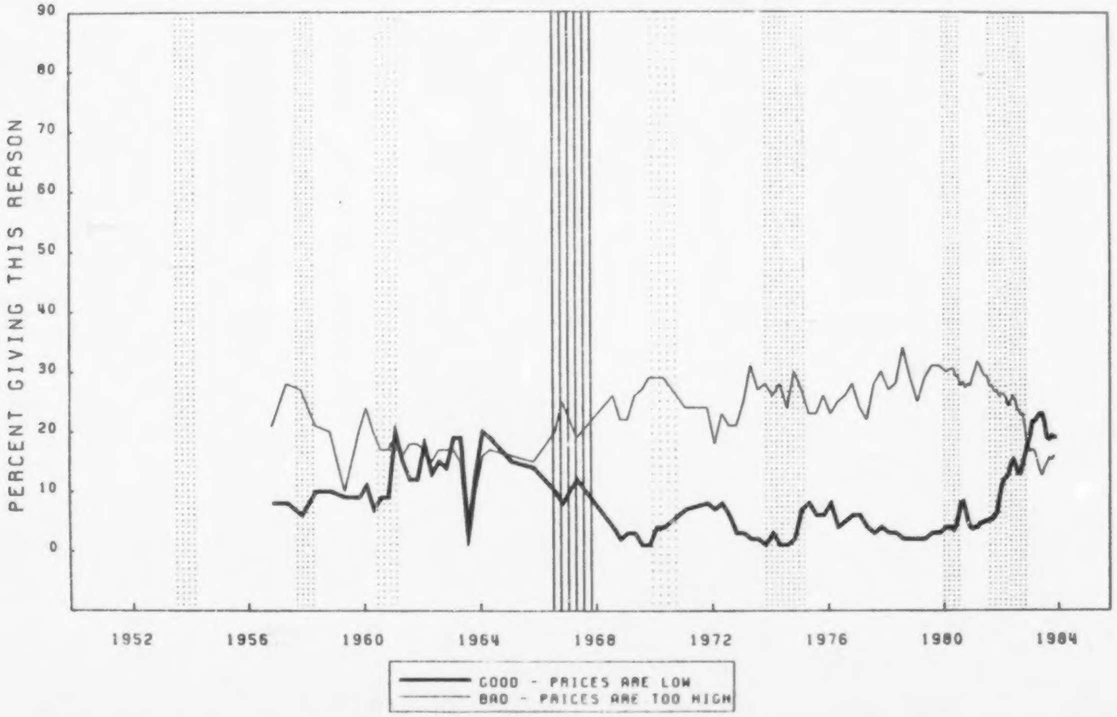


TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
GOOD TIME TO BUY:													
Prices are low; good buys available	17%	20%	21%	24%	20%	24%	25%	20%	20%	17%	19%	22%	16%
Prices won't come down; are going higher	6	5	5	5	8	7	7	8	7	10	8	9	9
Interest rates low; credit is easy	30	35	37	40	44	54	57	61	49	44	47	38	40
Good investment	4	6	4	4	3	5	4	7	5	8	6	8	5
BAD TIME TO BUY:													
Prices are high	16	17	17	17	16	13	12	13	17	14	16	16	16
Interest rates are high; credit is tight	49	40	41	39	35	24	23	23	26	31	28	29	30
Lack of purchasing power	23	23	24	20	21	14	16	11	12	14	14	15	16

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

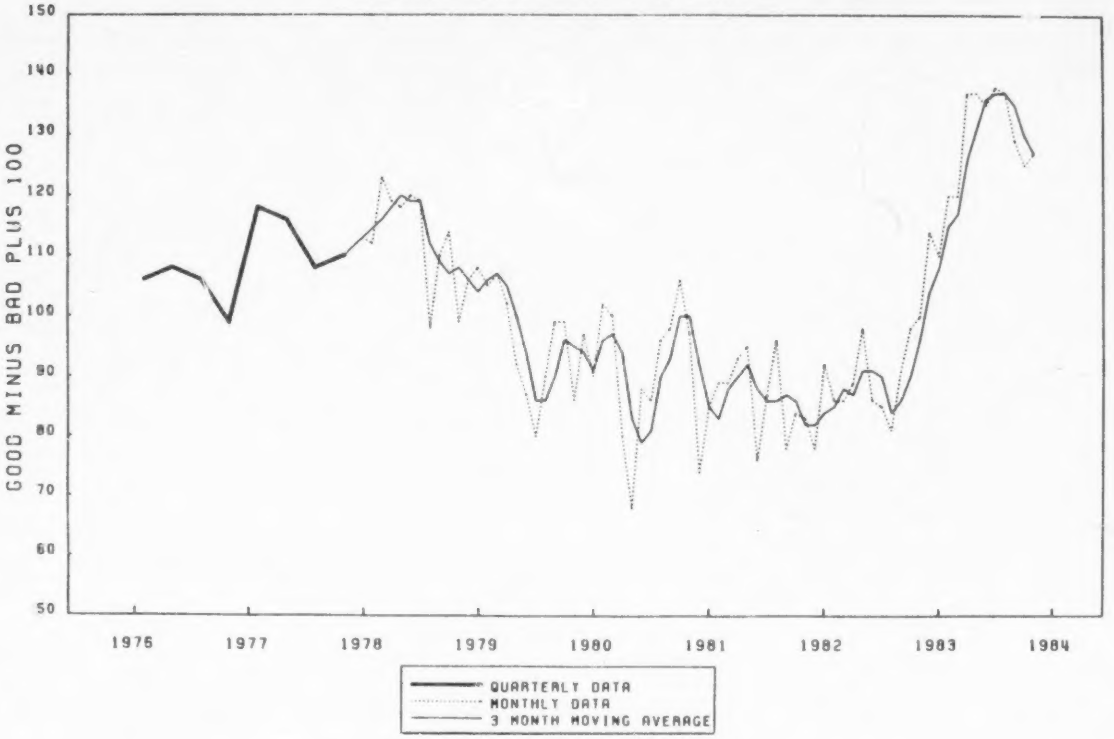


CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

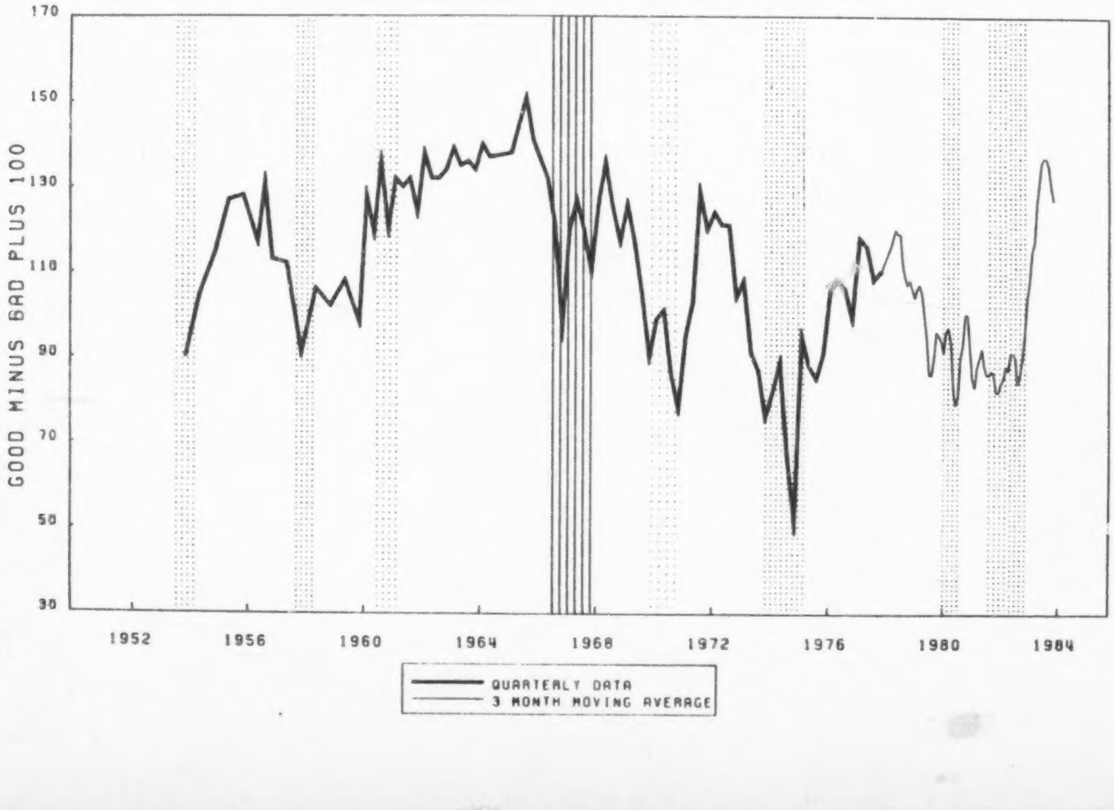


TABLE 30

BUYING CONDITIONS FOR CARS

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
GOOD TIME TO BUY	46%	53%	51%	57%	56%	66%	66%	63%	65%	65%	61%	59%	59%
UNCERTAIN; DEPENDS	8	8	8	6	8	5	5	9	8	7	7	7	9
BAD TIME TO BUY	46	39	41	37	36	29	29	28	27	28	32	34	32
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	682	709	696	707	700	714	680	673	704	689	701

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 31A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

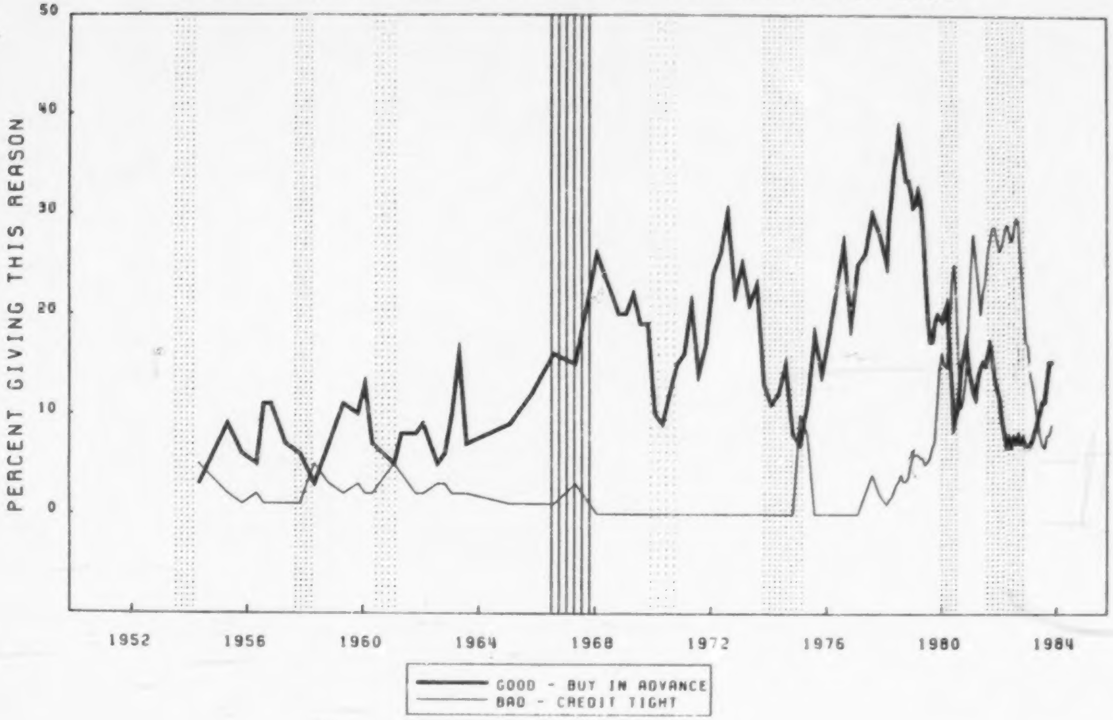


CHART 31B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

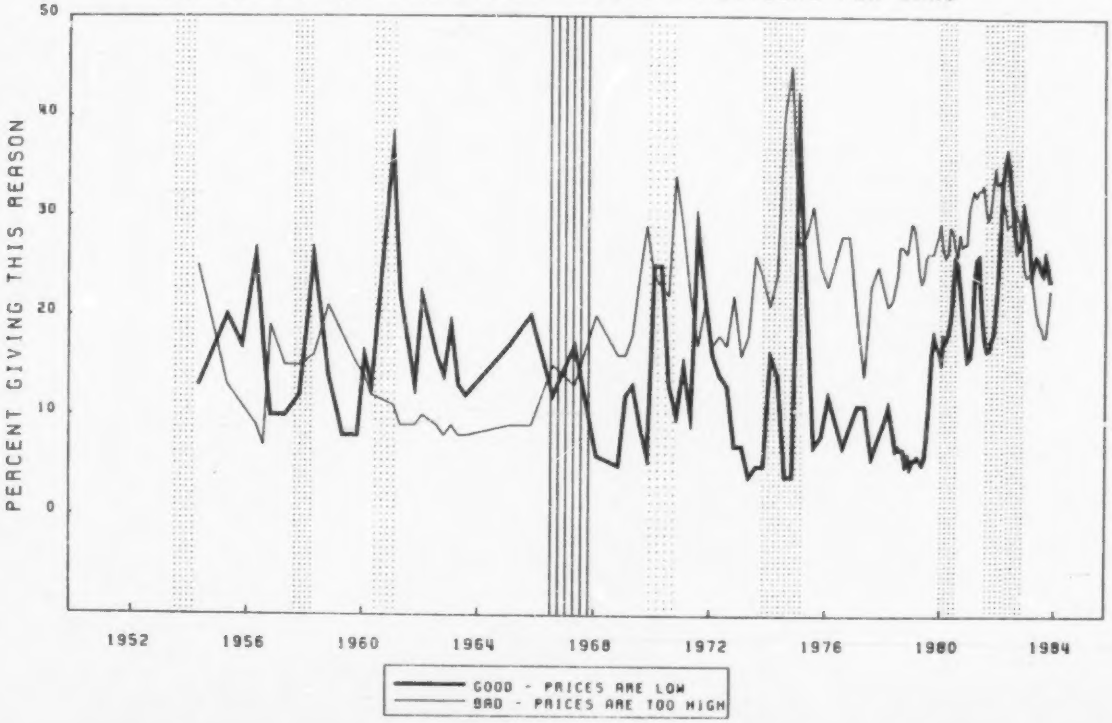


TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
GOOD TIME TO BUY:													
Prices are low; good buys available	28%	35%	25%	24%	24%	28%	26%	23%	25%	25%	28%	22%	21%
Prices won't come down; are going higher	8	6	7	8	8	8	12	11	11	12	17	17	12
Interest rates low; credit is easy	20	27	29	35	34	40	40	40	37	33	28	19	22
New fuel efficient models	1	1	2	1	2	2	*	1	2	1	2	2	2
BAD TIME TO BUY:													
Prices are high	25	23	24	26	23	19	19	20	18	16	20	25	23
Interest rates are high; credit is tight	19	14	18	10	11	11	7	6	8	6	10	8	9
Lack of purchasing power	15	13	12	12	10	7	7	7	7	9	6	8	6
Price of gas; shortages	1	1	1	*	*	*	1	1	*	1	*	*	*
Poor selection; quality	7	7	6	5	5	5	5	6	5	4	4	6	6

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

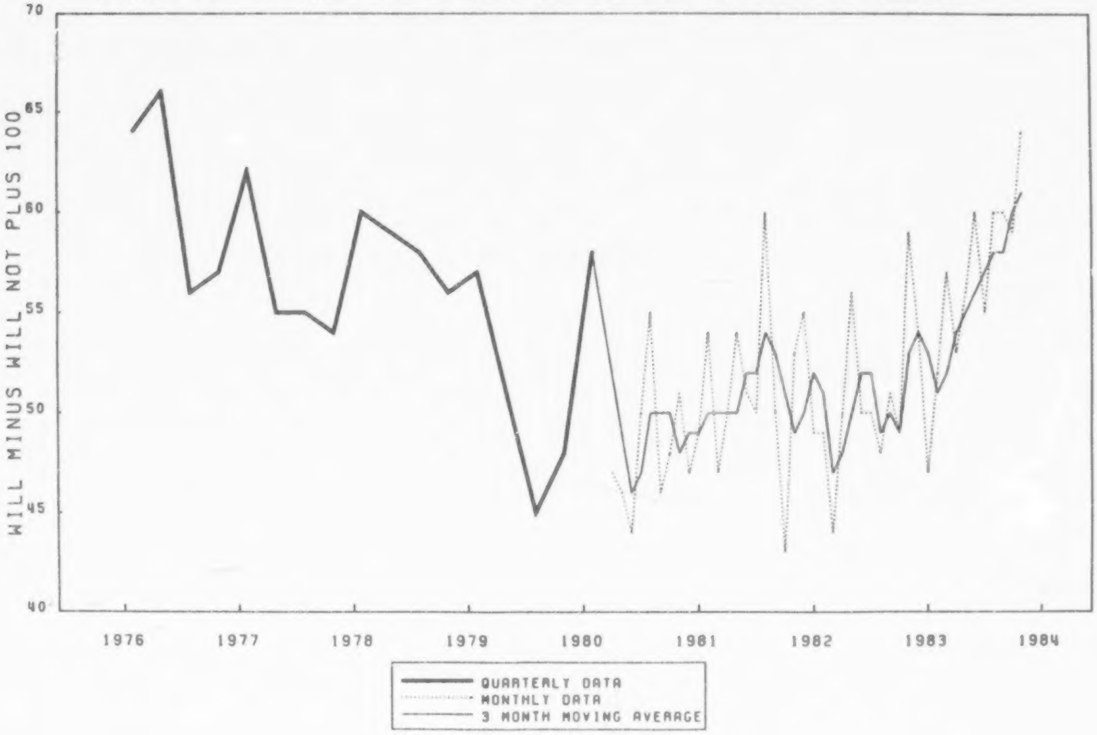


CHART 32 - RECENT CHANGES

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

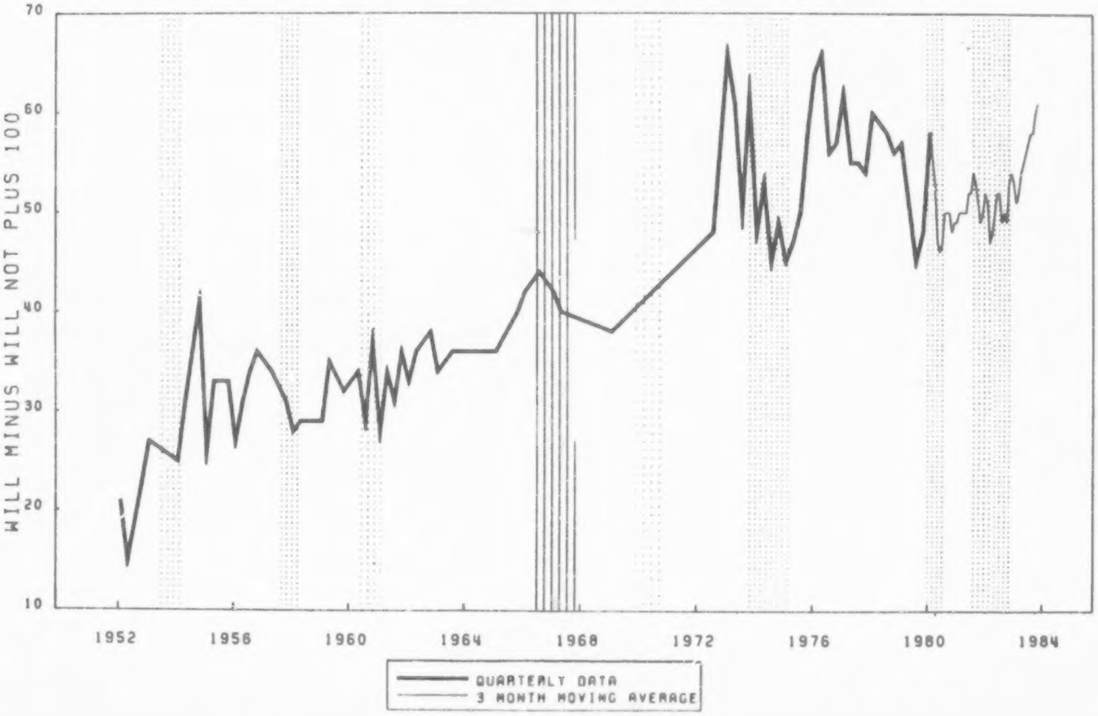


CHART 32 - HISTORICAL SERIES

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
PROBABLY WILL BUY	21%	20%	15%	17%	20%	17%	17%	22%	18%	21%	21%	21%	22%
CHANCES ARE EVEN	8	8	7	8	7	9	9	7	6	7	9	8	9
PROBABLY WILL NOT BUY	62	66	68	65	63	64	61	62	63	61	61	62	58
DK,NA	9	6	10	10	10	10	13	9	13	11	9	9	11
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	682	709	696	707	700	714	680	673	704	689	701

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	29%	28%	22%	25%	27%	26%	26%	29%	24%	28%	30%	29%	31%
PURCHASE TYPE:													
Buy new	11	15	10	12	13	14	12	13	11	15	13	17	17
Buy used	15	10	10	11	12	11	11	13	11	11	14	9	12
Lease	2	2	1	1	1	*	2	2	1	1	1	2	1
DK,NA	1	1	1	1	1	1	1	1	1	1	2	1	1
PURCHASE TIMING:													
Next 3 months	4	2	3	3	1	6	2	1	4	5	2	6	4
Next 4-6 months	6	6	6	6	7	6	7	10	6	4	7	8	5
Next 7-9 months	8	6	4	7	9	7	8	8	3	5	5	8	9
10 months or more	7	7	4	5	6	2	4	4	6	7	9	4	8
DK,NA	4	7	5	4	4	5	5	6	5	7	7	3	5

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	62%	66%	68%	65%	63%	64%	61%	62%	63%	61%	61%	62%	58%
PURCHASE TYPE:													
Would buy new	34	40	36	34	31	38	36	37	37	33	33	33	36
Would buy used	26	24	30	29	31	25	24	24	24	27	27	29	21
DK,NA	2	2	2	2	1	1	1	1	2	1	1	*	1
PURCHASE TIMING:													
Less than 2 years	7	7	8	8	6	8	7	6	8	6	8	6	5
2 years	22	22	23	19	20	22	24	20	23	21	22	20	19
3 years	8	10	10	10	11	12	10	10	9	9	10	11	10
4 years or more	18	17	21	20	21	16	18	21	18	18	15	19	18
Indefinite	2	4	2	2	1	2	1	1	2	2	2	*	1
DK,NA	5	6	4	6	4	4	1	4	3	5	4	6	5

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

* : Less than half of one percent.

EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

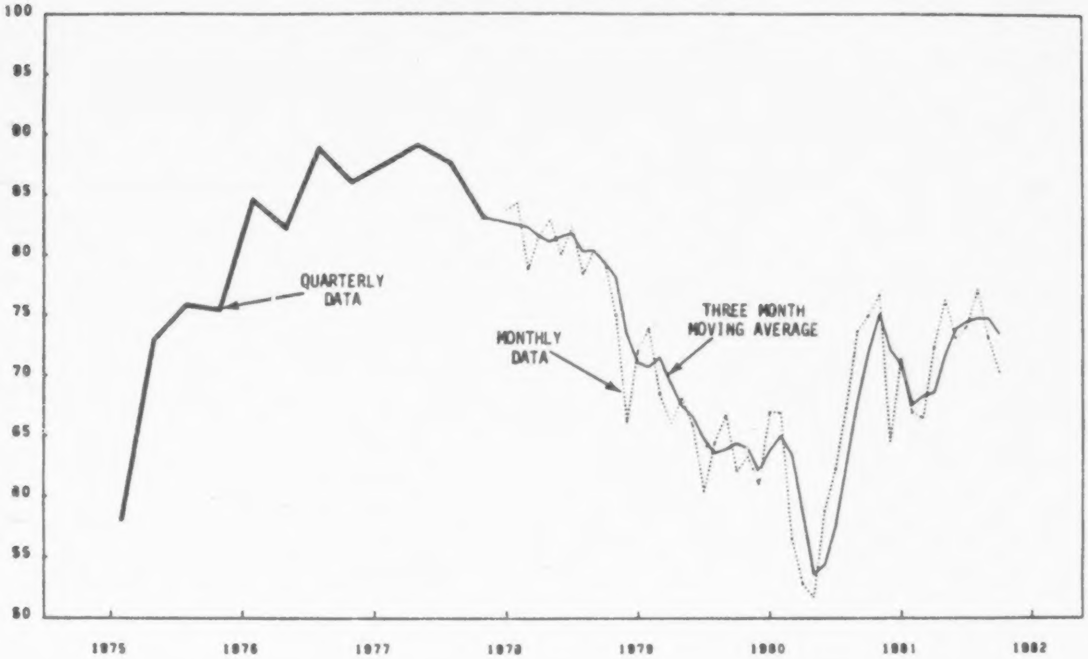
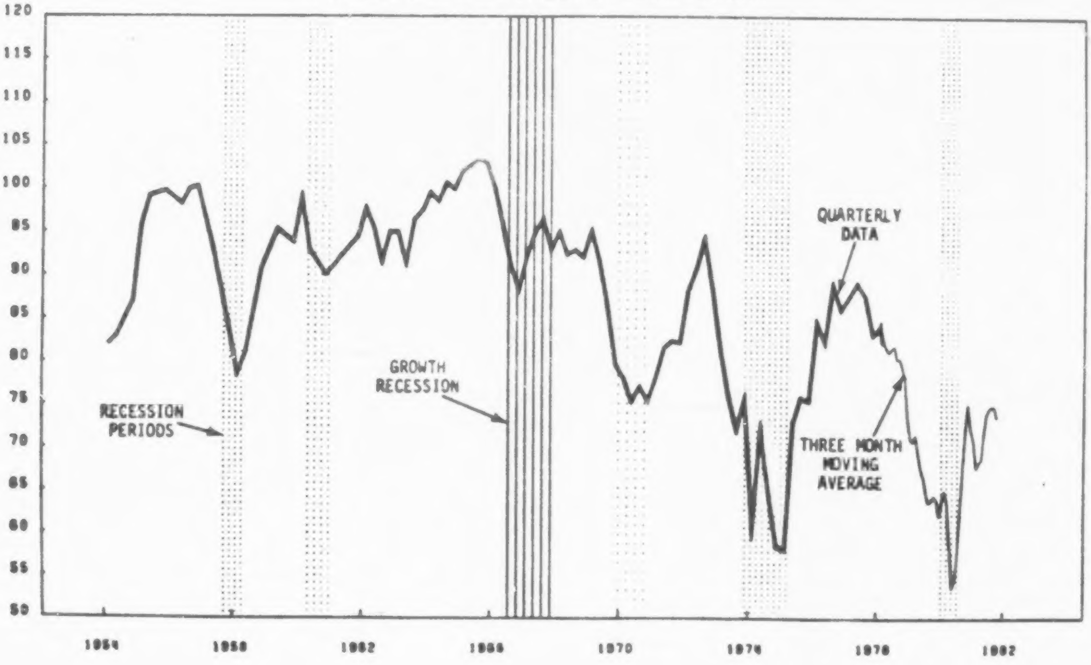


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES: November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
June 1966 - November 1967*
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980
July 1981 - November 1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews 700[b]	1,400[c]	2,100[d]
50	4.2	3.2	2.8
30 or 70	3.8	2.9	2.5
20 or 80	3.4	2.6	2.2
10 or 90	2.5	1.9	1.6
5 or 95	1.8	1.4	1.2

---

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b] Average size of monthly surveys.

[c] Average size of two monthly surveys.

[d] Average size of three monthly surveys (one quarter).

SURVEYS OF CONSUMER ATTITUDES

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

TABLES AND CHARTS

DECEMBER 1983

The December 1983 survey is the 183rd in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Recent change charts include quarterly data before 1978 and monthly data starting in January of 1978. Historical series charts show quarterly data before 1978 and 3 month moving averages since then. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

© University of Michigan, 1984

TABLE OF CONTENTS

CHART/ TABLE	TITLE
1	THE INDEX OF CONSUMER SENTIMENT
2	INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS
3	COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT
4	CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO
5	SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION
6	EXPECTED CHANGE IN FINANCIAL SITUATION
7	TREND IN PERSONAL FINANCIAL SITUATION
8	EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS
9	PAST CHANGE IN REAL FAMILY INCOME
10	EXPECTED CHANGE IN REAL FAMILY INCOME
11	TREND IN FAMILY INCOME AND PRICE COMPARISON
12	NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS
13	SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS
14	CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO
15	EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR
16	REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR
17	TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS
18	BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS
19	BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS
20	EXPECTED CHANGE IN UNEMPLOYMENT
21	EXPECTED CHANGE IN INTEREST RATES
22	CHANGE IN PRICES DURING THE LAST 12 MONTHS
23	EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS
24	UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP
25	OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY
26	BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS
27	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS
28	BUYING CONDITIONS FOR HOUSES
29	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES
30	BUYING CONDITIONS FOR CARS
31	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS
32	PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS
33	CURRENT VEHICLE PURCHASE INTENTIONS
34	FUTURE VEHICLE PURCHASE INTENTIONS

CHART I - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

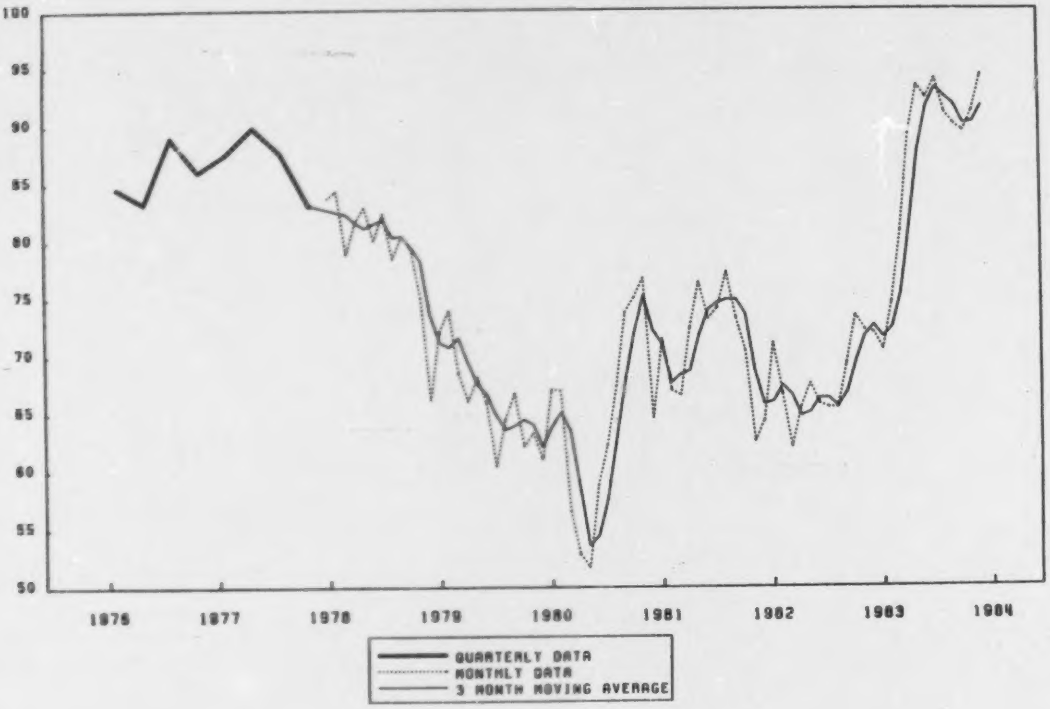


CHART I - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

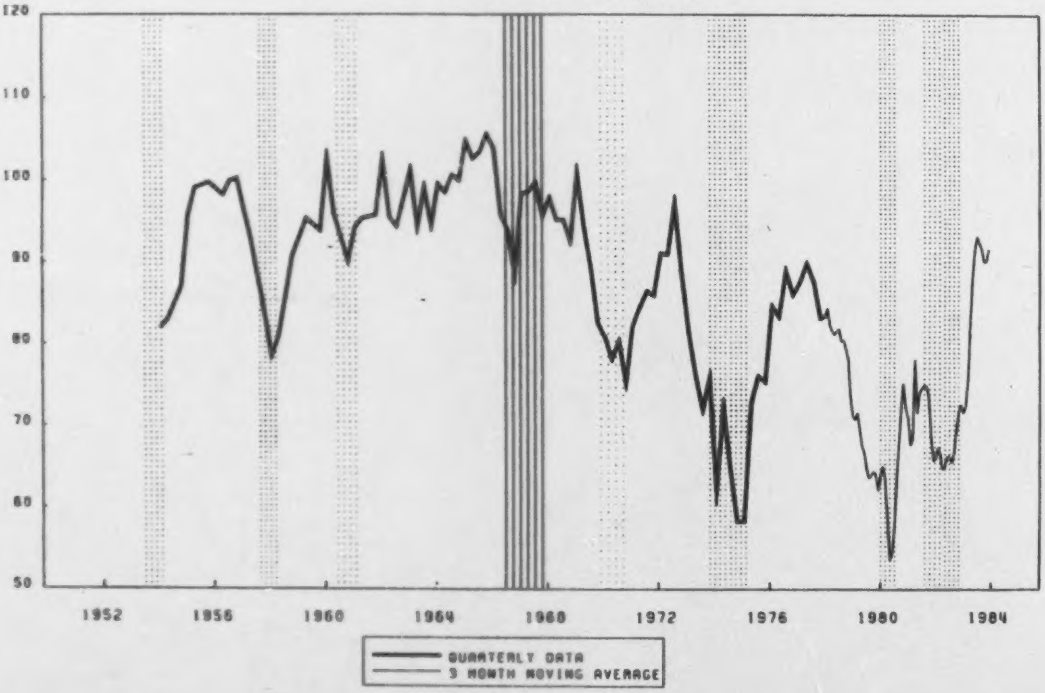


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $20,000	Families with incomes over $25,000
December 1980	64.5	66.9	68.6
January 1981	71.4	74.8	77.1
February 1981	66.9	74.2	77.5
March 1981	66.5	72.1	73.7
April 1981	72.4	77.1	78.0
May 1981	76.3	80.8	85.0
June 1981	73.1	81.2	82.9
July 1981	74.1	80.8	82.1
August 1981	77.2	82.7	85.0
September 1981	73.1	75.2	73.3
October 1981	70.3	74.5	77.9
November 1981	62.5	67.2	66.3
December 1981	64.3	71.0	71.1
January 1982	71.0	77.9	77.8
February 1982	66.5	71.5	72.8
March 1982	62.0	67.0	67.9
April 1982	65.5	71.5	73.2
May 1982	67.5	72.7	74.8
June 1982	65.7	71.4	72.9
July 1982	65.4	68.9	69.2
August 1982	65.4	71.0	73.6
September 1982	69.3	78.4	81.1
October 1982	73.4	77.5	80.9
November 1982	72.1	79.3	81.1
December 1982	71.9	78.0	80.5
January 1983	70.4	78.2	78.8
February 1983	74.6	79.9	81.3
March 1983	80.8	88.4	88.9
April 1983	89.1	97.1	99.0
May 1983	93.3	99.6	101.0
June 1983	92.2	101.2	102.5
July 1983	93.9	104.4	106.5
August 1983	90.9	101.2	103.5
September 1983	89.9	99.0	102.3
October 1983	89.3	99.5	101.9
November 1983	91.1	97.2	98.8
December 1983	94.2	101.7	104.5

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

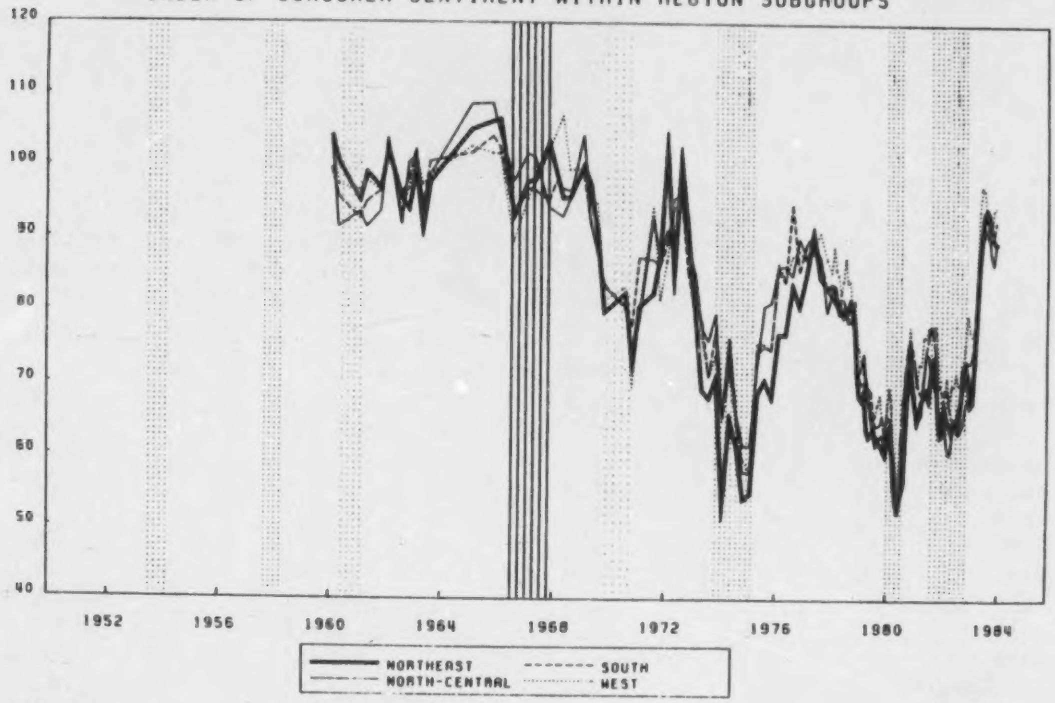
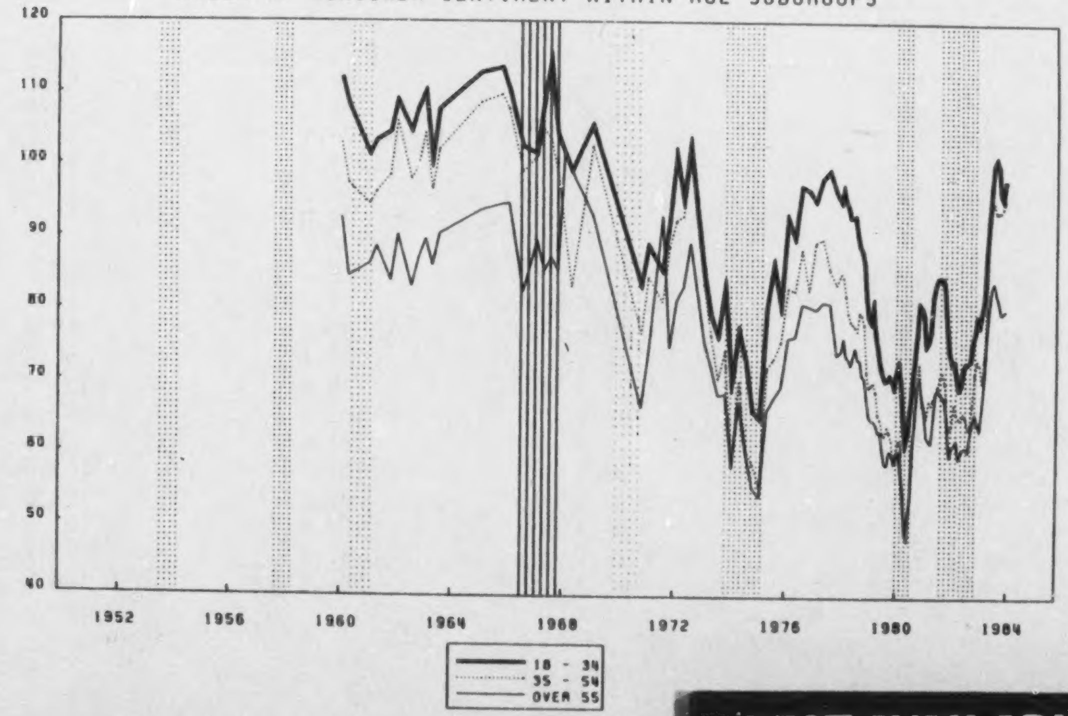


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS



BEST AVAILABLE COPY

TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY		CENSUS REGION				AGE OF RESPONDENT		
		North East	North Central	South	West	18-34	35-54	55+
December	1980	62.3	59.9	69.3	64.6	76.0	56.7	60.1
January	1981	68.2	70.9	72.5	74.4	77.2	70.2	67.9
February	1981	64.5	62.6	70.2	70.8	72.5	68.4	59.6
March	1981	66.5	62.6	64.9	73.7	77.3	63.9	58.4
April	1981	72.6	72.7	71.0	74.2	81.5	68.3	66.9
May	1981	66.8	76.6	77.5	82.2	87.7	71.2	70.0
June	1981	68.5	74.0	75.2	73.8	81.7	67.0	69.6
July	1981	68.9	72.2	76.5	78.1	84.2	70.6	67.6
August	1981	77.0	70.1	83.2	79.2	87.8	75.0	67.9
September	1981	75.1	69.9	72.4	76.6	81.4	68.8	69.2
October	1981	67.9	68.2	68.9	79.0	80.7	65.9	64.8
November	1981	55.8	64.7	61.1	68.8	71.3	59.6	57.7
December	1981	65.0	65.3	64.4	61.6	70.9	65.3	56.7
January	1982	68.8	67.3	72.0	76.2	76.6	67.4	68.5
February	1982	65.9	60.6	71.8	68.8	71.5	68.3	59.0
March	1982	60.5	55.8	64.7	68.2	65.5	61.4	58.8
April	1982	67.2	64.6	65.0	65.8	70.6	65.5	60.4
May	1982	62.4	66.5	66.6	75.7	72.7	67.6	62.0
June	1982	65.4	65.0	64.9	68.6	72.4	64.4	60.3
July	1982	65.1	64.0	63.5	71.1	73.4	63.3	60.6
August	1982	68.1	60.6	64.0	70.6	72.6	62.9	60.2
September	1982	70.3	67.2	71.1	68.8	73.0	66.7	68.0
October	1982	77.8	66.2	74.1	79.3	81.2	72.1	65.5
November	1982	70.6	67.9	73.2	79.3	76.6	75.7	63.8
December	1982	66.1	70.0	72.5	80.4	78.9	71.7	64.2
January	1983	64.9	70.5	73.6	72.8	78.8	70.0	62.0
February	1983	72.1	72.3	75.8	77.2	82.1	68.3	72.4
March	1983	82.9	73.7	82.7	84.4	84.9	81.5	75.5
April	1983	89.1	88.0	87.2	95.6	95.8	90.5	80.5
May	1983	88.3	90.7	93.3	102.7	97.2	97.1	84.9
June	1983	95.1	88.7	92.5	94.1	97.8	94.4	83.9
July	1983	98.3	93.8	89.9	94.3	106.0	93.6	83.0
August	1983	89.6	92.0	91.3	89.6	99.2	92.9	80.0
September	1983	92.6	87.8	89.3	90.8	94.8	94.5	80.9
October	1983	89.9	83.7	91.5	93.5	94.2	93.8	77.8
November	1983	87.7	88.3	91.5	98.5	97.2	94.6	80.7
December	1983	91.4	96.2	95.2	92.2	102.3	97.5	81.8

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

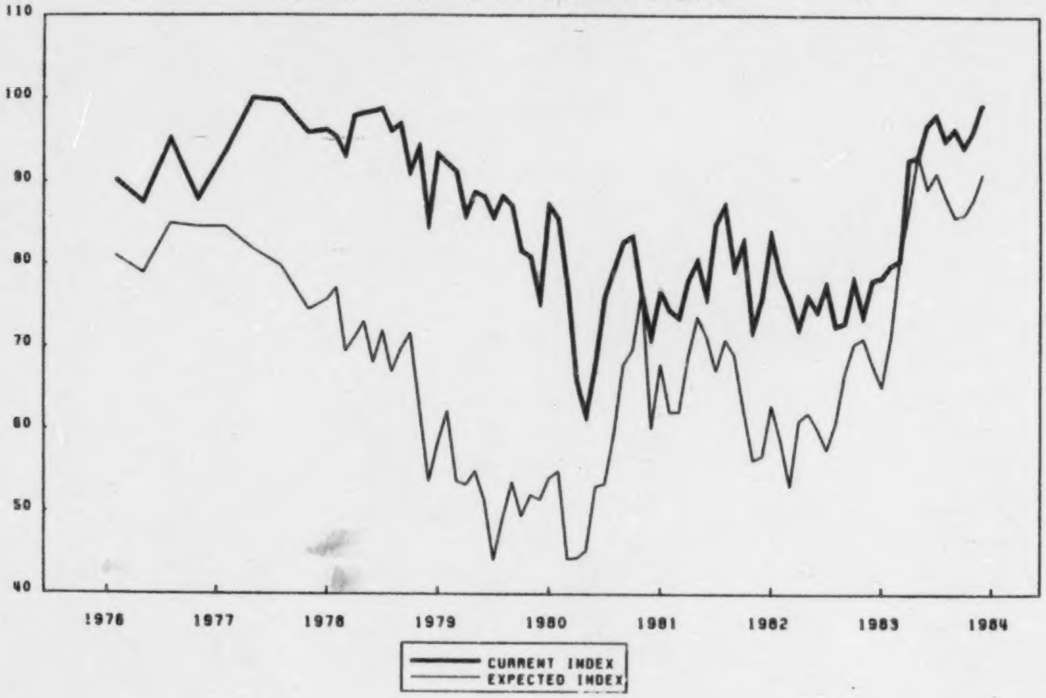
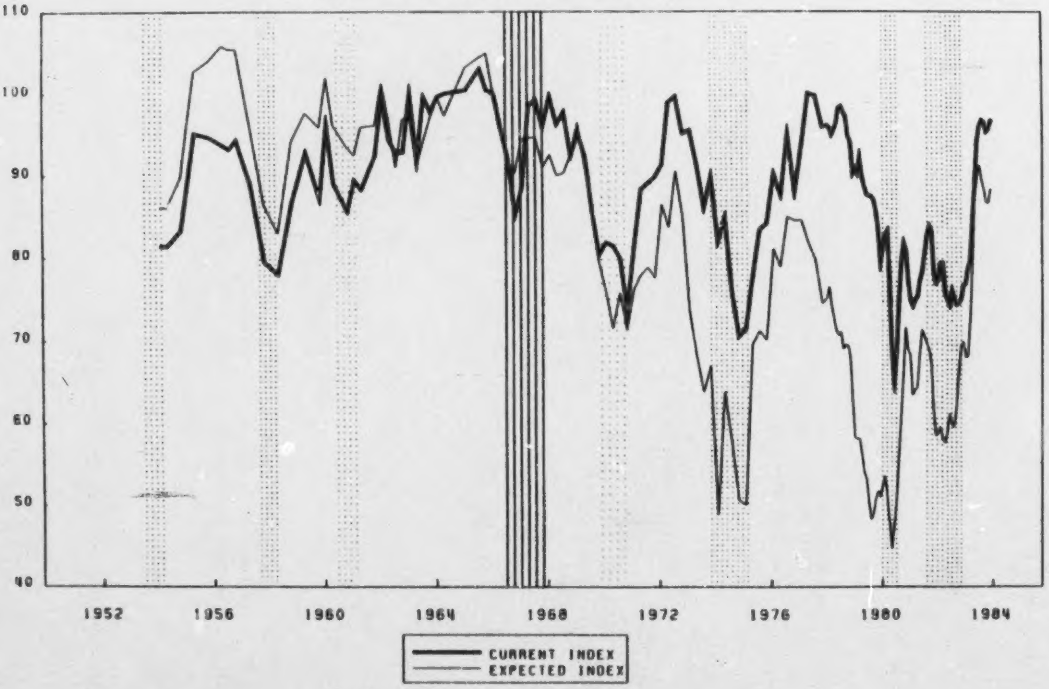


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS



COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions				
DATE OF SURVEY	Current (1)	Expected (2)	12 months (3)	5 years (4)	Buying conds. (5)	Current Index (1,5)	Expected Index (2,3,4)
December 1980	77	100	64	73	104	71.2	60.2
January 1981	80	109	78	81	116	76.7	67.9
February 1981	80	106	64	73	109	74.4	62.1
March 1981	86	104	68	72	101	73.5	62.1
April 1981	79	111	83	78	121	78.1	68.8
May 1981	95	118	92	81	111	80.4	73.6
June 1981	89	113	91	78	104	76.1	71.2
July 1981	99	114	81	70	118	84.9	67.1
August 1981	100	117	92	72	123	87.1	70.8
September 1981	94	113	80	80	109	79.5	69.0
October 1981	95	110	68	67	117	82.7	62.3
November 1981	85	110	54	56	99	72.1	56.3
December 1981	94	110	54	61	101	75.9	56.8
January 1982	92	115	66	70	124	83.5	62.9
February 1982	91	112	56	65	111	78.6	58.7
March 1982	89	106	44	60	106	75.9	53.1
April 1982	87	111	62	70	99	72.3	61.1
May 1982	94	113	62	72	102	76.1	62.0
June 1982	92	116	58	65	99	74.3	60.1
July 1982	90	113	53	63	110	77.5	57.6
August 1982	89	110	64	69	97	72.5	60.9
September 1982	89	116	76	74	98	72.9	66.9
October 1982	95	119	79	83	106	78.1	70.4
November 1982	85	121	77	86	105	73.8	71.0
December 1982	90	117	74	80	111	78.1	67.9
January 1983	91	115	76	69	111	78.4	65.2
February 1983	89	117	87	81	117	79.9	71.2
March 1983	92	126	113	85	115	80.5	80.9
April 1983	108	131	120	99	131	92.7	86.9
May 1983	101	137	139	100	139	93.1	93.4
June 1983	110	128	134	97	141	96.9	89.2
July 1983	111	126	136	104	143	98.1	91.1
August 1983	106	124	130	100	140	95.1	88.2
September 1983	109	125	125	95	140	96.4	85.8
October 1983	104	124	124	98	140	94.3	86.1
November 1983	111	127	129	98	138	96.1	87.9
December 1983	123	125	140	102	134	99.3	91.0

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

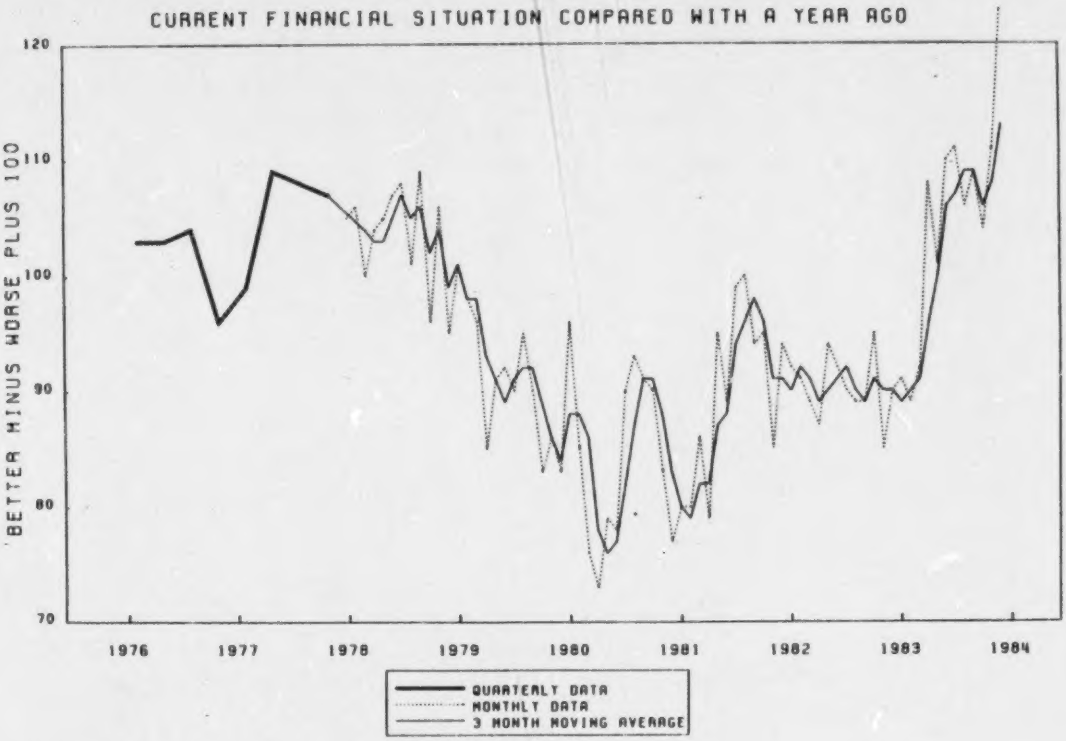


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

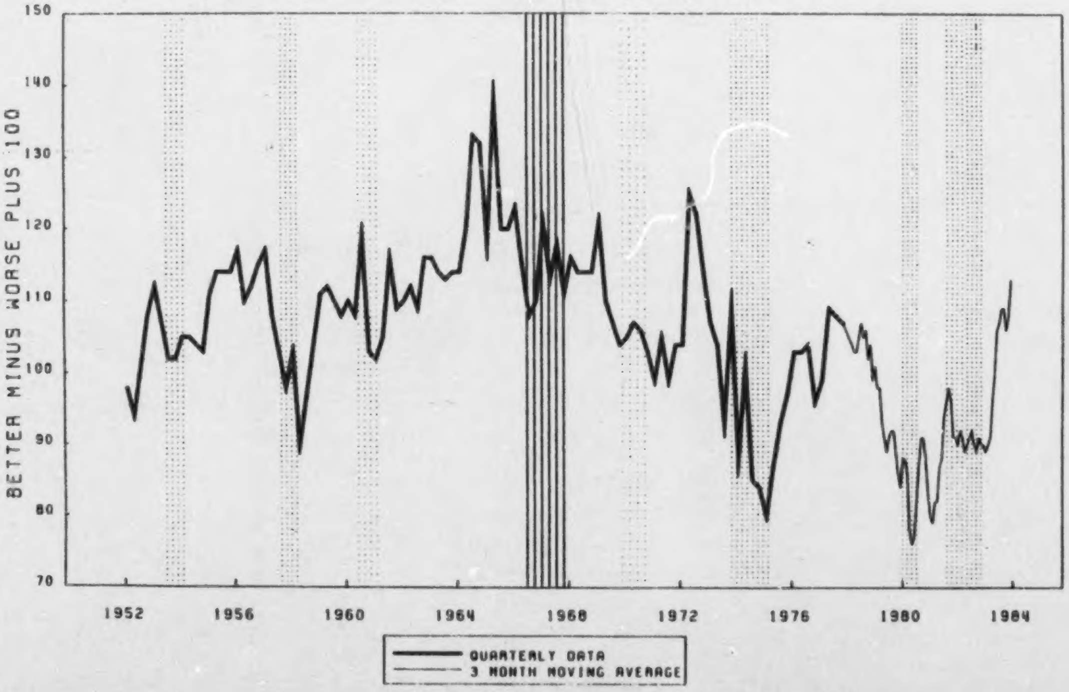


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
BETTER OFF	28%	29%	30%	31%	39%	34%	38%	40%	36%	38%	36%	38%	45%
SAME	34	33	29	30	30	33	33	31	34	33	32	35	33
WORSE OFF	38	38	41	39	31	33	28	29	30	29	32	27	22
DK,NA	*	*	*	*	*	*	1	*	*	*	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	709	696	707	700	714	680	673	704	689	701	701

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

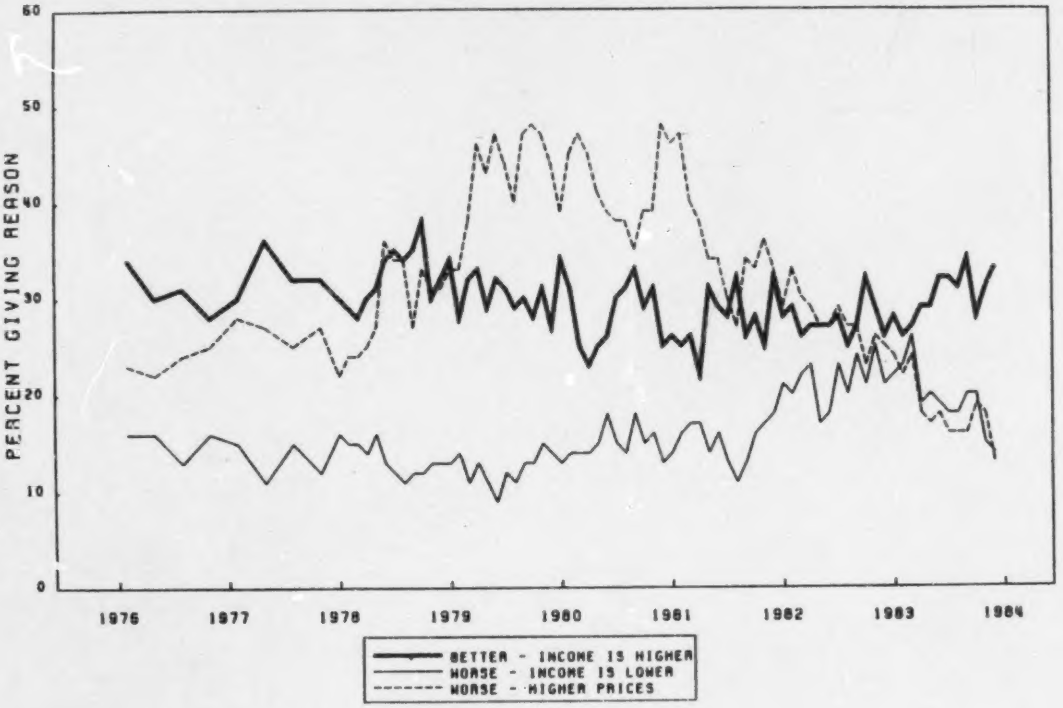


CHART 5 - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

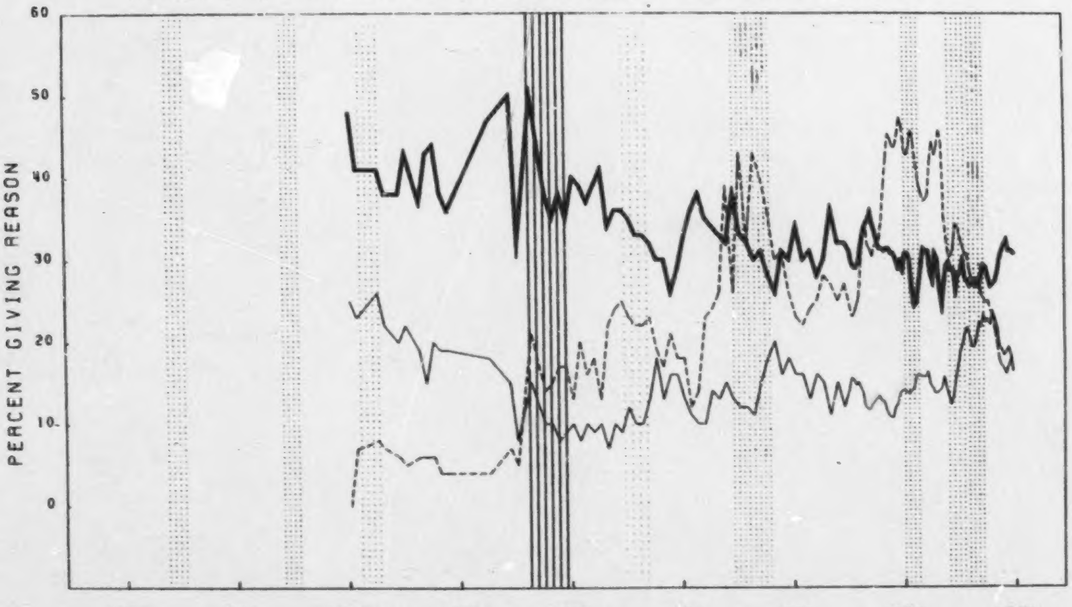


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
BETTER OFF THAN YEAR AGO:													
Income is higher	26%	28%	26%	27%	29%	29%	32%	32%	31%	34%	28%	31%	33%
WORSE OFF THAN YEAR AGO:													
Income is lower	21	22	23	26	19	20	19	18	18	20	20	15	14
Higher prices	25	24	22	24	18	17	18	16	16	16	19	18	13

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

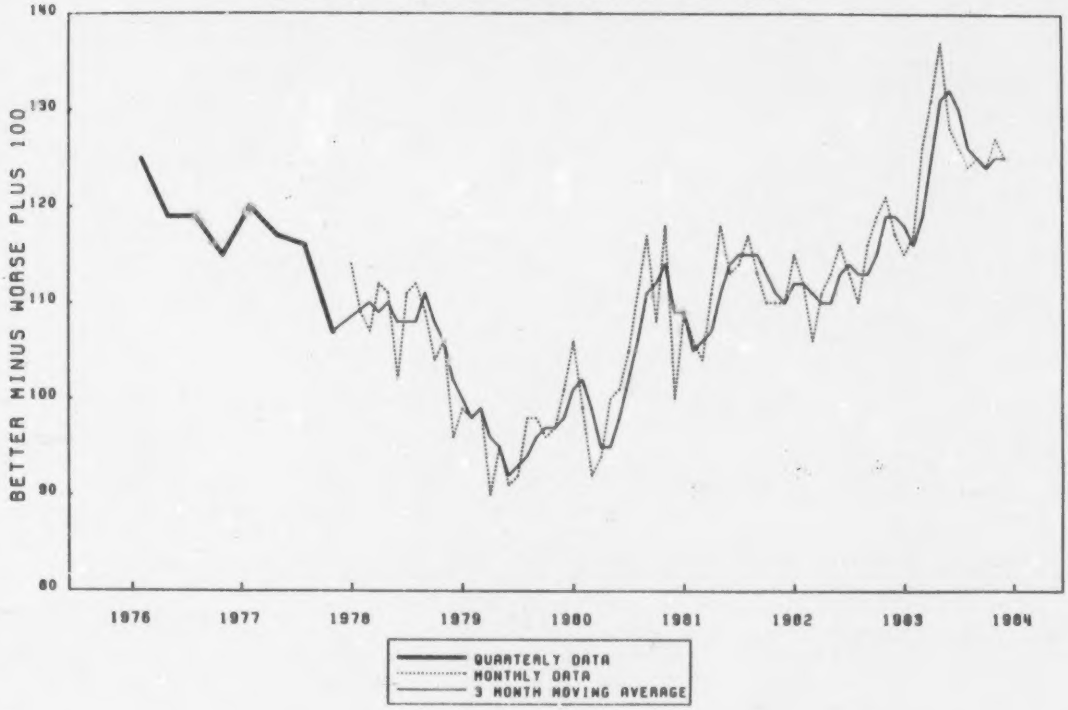


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

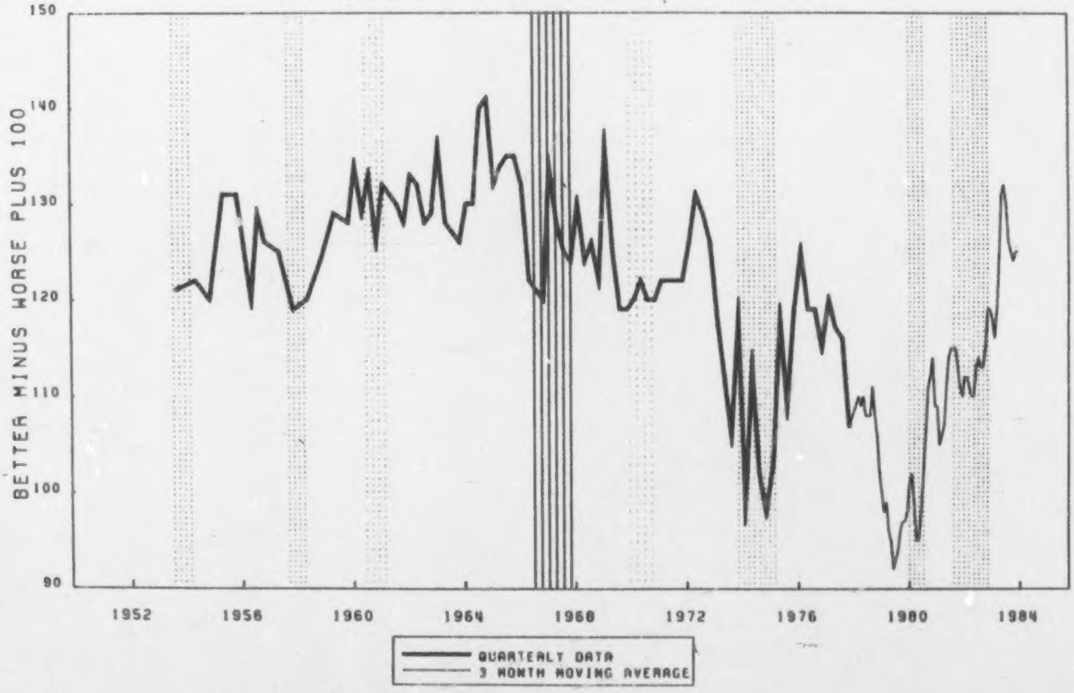


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
BETTER OFF	34%	34%	33%	39%	40%	43%	37%	35%	37%	37%	37%	38%	35%
SAME	46	44	47	46	47	47	52	52	46	48	46	47	51
WORSE OFF	17	19	16	13	9	6	9	9	13	12	13	11	10
DK,NA	3	3	4	2	4	4	2	4	4	3	4	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	709	696	707	700	714	680	673	704	689	701	701

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

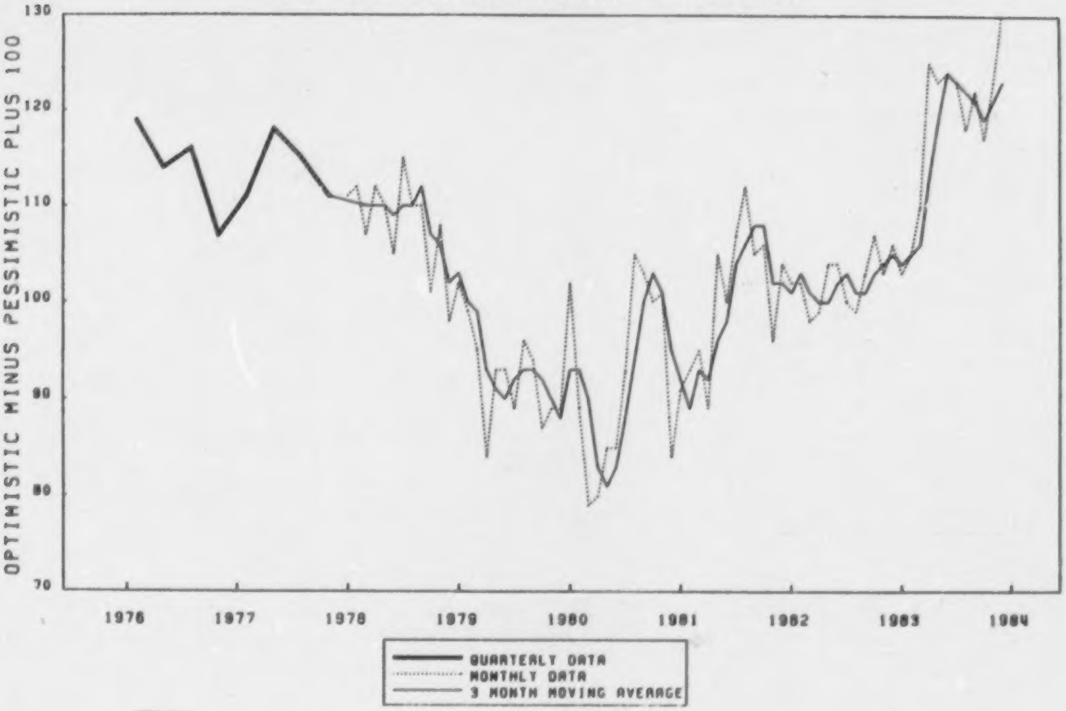


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

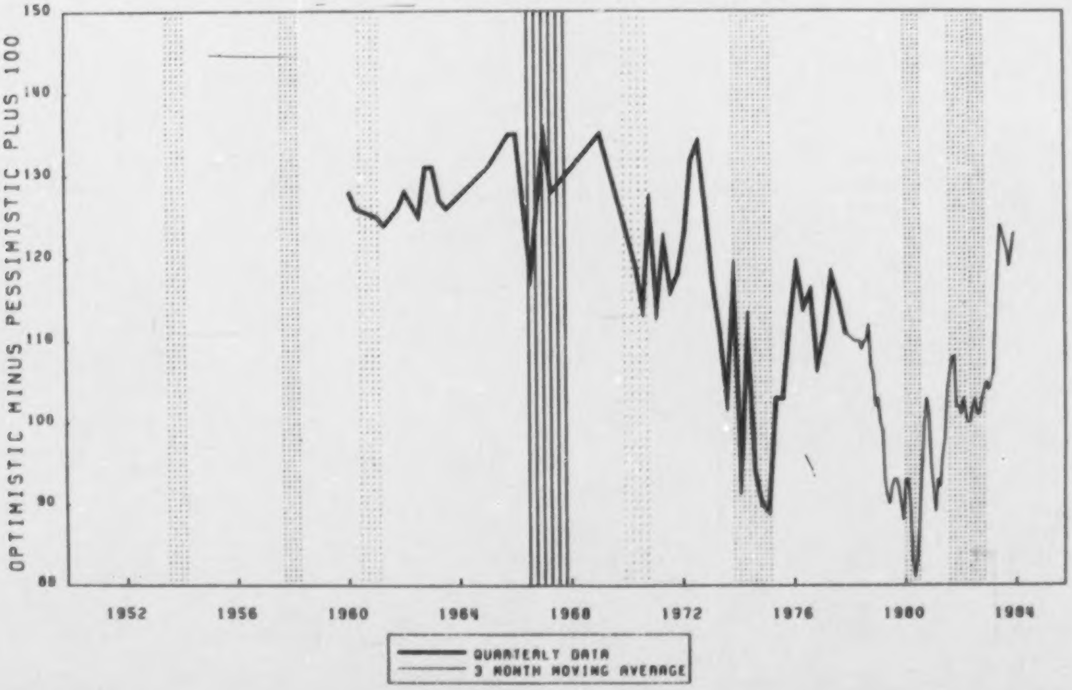


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	14%	15%	13%	16%	19%	18%	19%	20%	19%	18%	19%	20%	22%
Intermittent increase (b)	22	20	22	22	26	25	26	24	23	27	23	23	26
Remain unchanged (c)	18	16	16	16	18	18	20	21	19	18	18	21	22
Intermittent decline (d)	18	21	20	21	15	18	17	16	18	17	18	15	13
Continuous decline (e)	12	11	10	7	5	2	4	5	6	6	7	5	5
Mixed change (f)	13	13	14	16	13	15	11	10	10	11	11	11	8
DK,NA	3	4	5	2	4	4	3	4	5	3	4	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	709	696	707	700	714	680	673	704	689	701	701

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

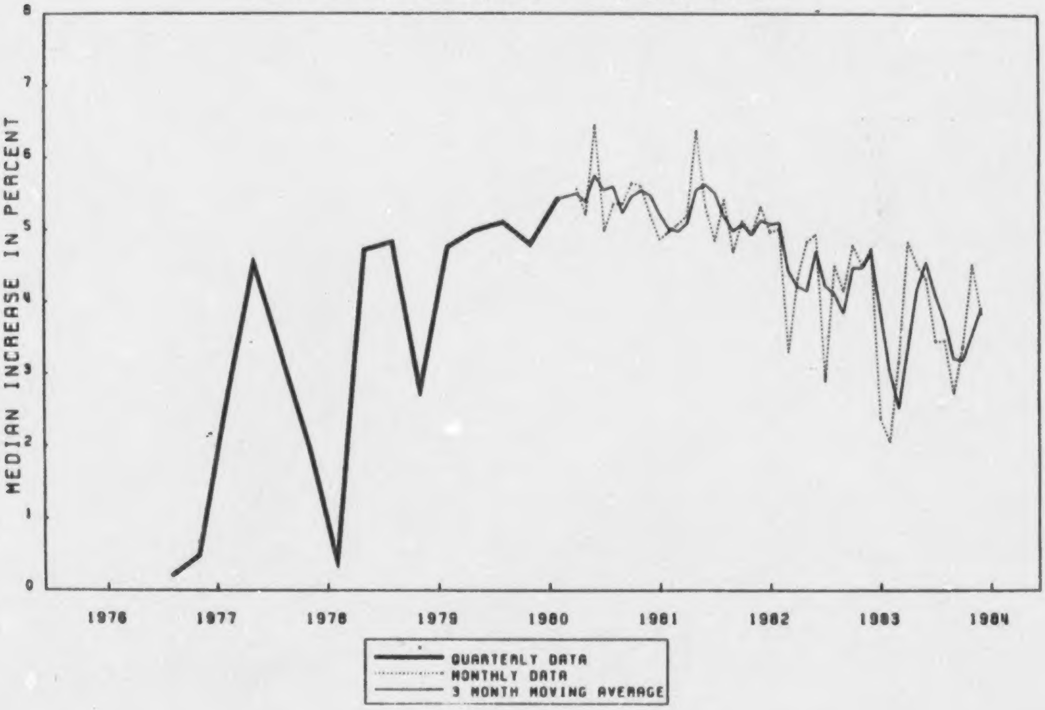


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
EXPECT INCREASE:													
1-4%	6%	11%	7%	7%	9%	8%	8%	9%	13%	11%	11%	12%	12%
5%	10	9	9	10	12	9	11	12	10	12	10	9	10
6-9%	9	8	8	10	12	8	11	10	10	5	10	8	10
10-24%	22	13	16	16	19	20	16	15	15	14	15	19	16
25% or more	7	7	8	7	7	9	8	7	8	9	7	8	7
DK how much up	4	6	4	5	4	5	4	4	4	6	5	7	5
EXPECT SAME	24	28	30	26	25	26	28	28	23	30	26	23	26
EXPECT DOWN	17	17	16	17	10	14	13	13	14	12	13	11	12
DK,NA	1	1	2	2	2	1	1	2	3	1	3	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	709	696	707	700	714	680	673	704	689	701	701

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE DURING THE LAST YEAR

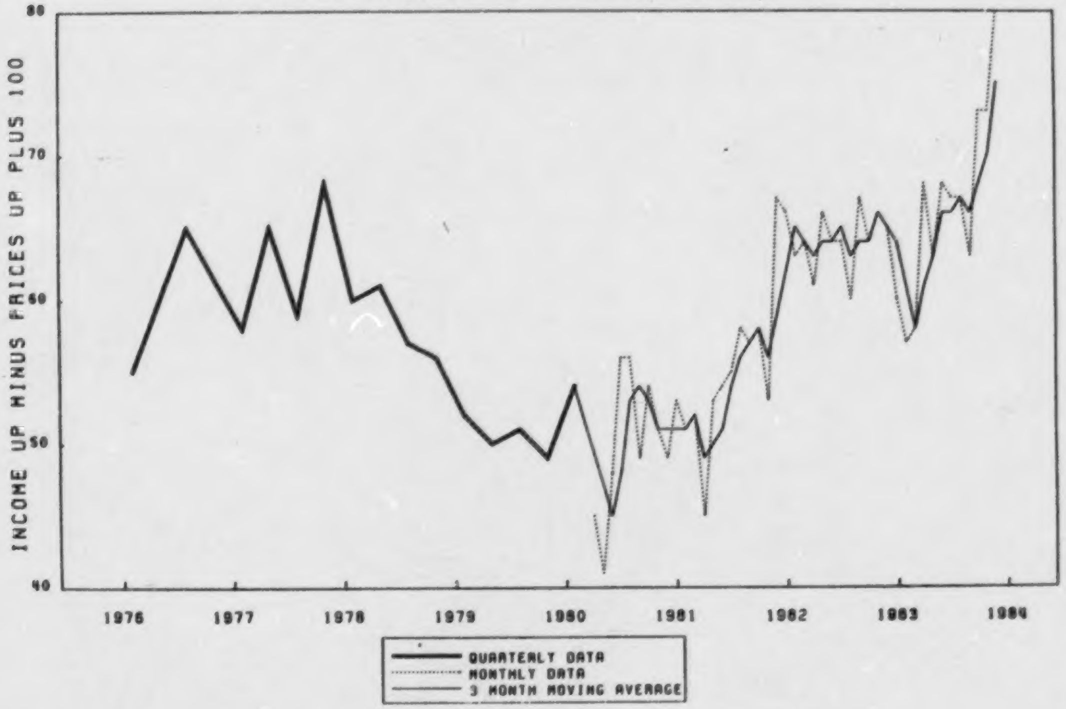


TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
INCOME UP MORE	14%	14%	14%	16%	17%	16%	17%	18%	20%	15%	20%	22%	23%
INCOME UP SAME	35	30	27	25	32	30	32	29	26	31	32	28	32
PRICES UP MORE	49	54	57	58	49	53	49	51	53	52	47	49	43
DK,NA	2	2	2	1	2	1	2	2	1	2	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	709	696	707	700	714	680	673	704	689	701	701

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

CHART 10 - RECENT CHANGES ·
INCOME OR PRICES UP MORE NEXT YEAR

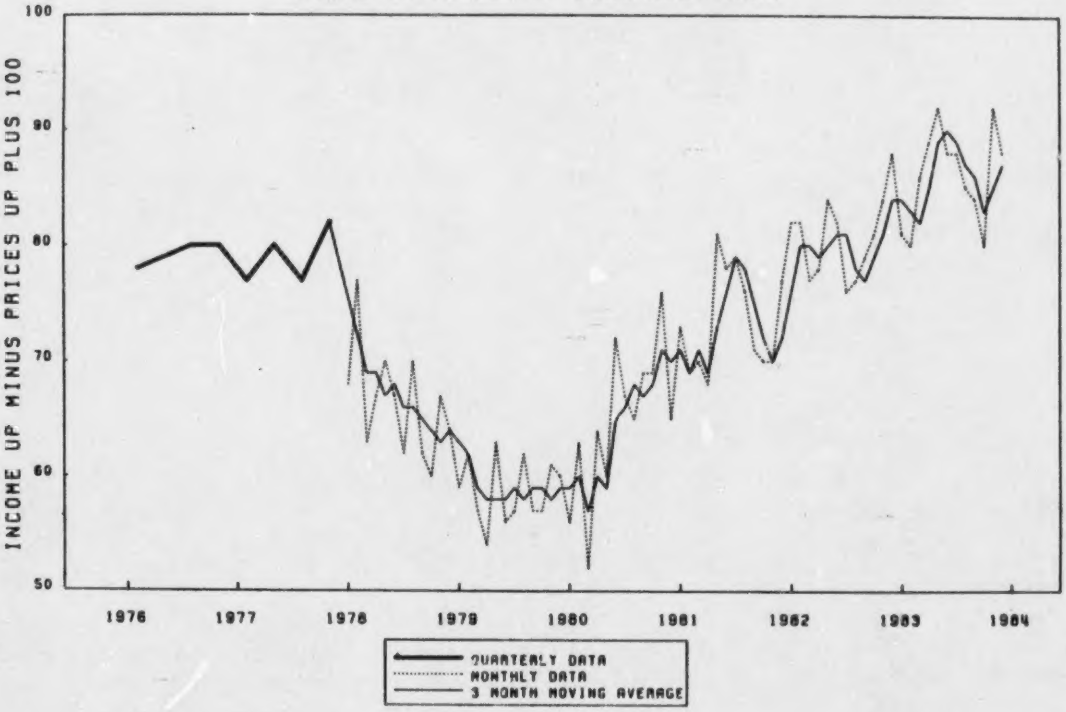


TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
INCOME UP MORE	21%	19%	16%	21%	19%	24%	20%	22%	19%	19%	18%	23%	20%
INCOME UP SAME	44	40	44	41	46	42	46	41	43	44	41	42	45
PRICES UP MORE	33	38	36	35	30	32	32	34	34	35	38	31	32
DK,NA	2	3	4	3	5	2	2	3	4	2	3	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	709	696	707	700	714	680	673	704	689	701	701

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

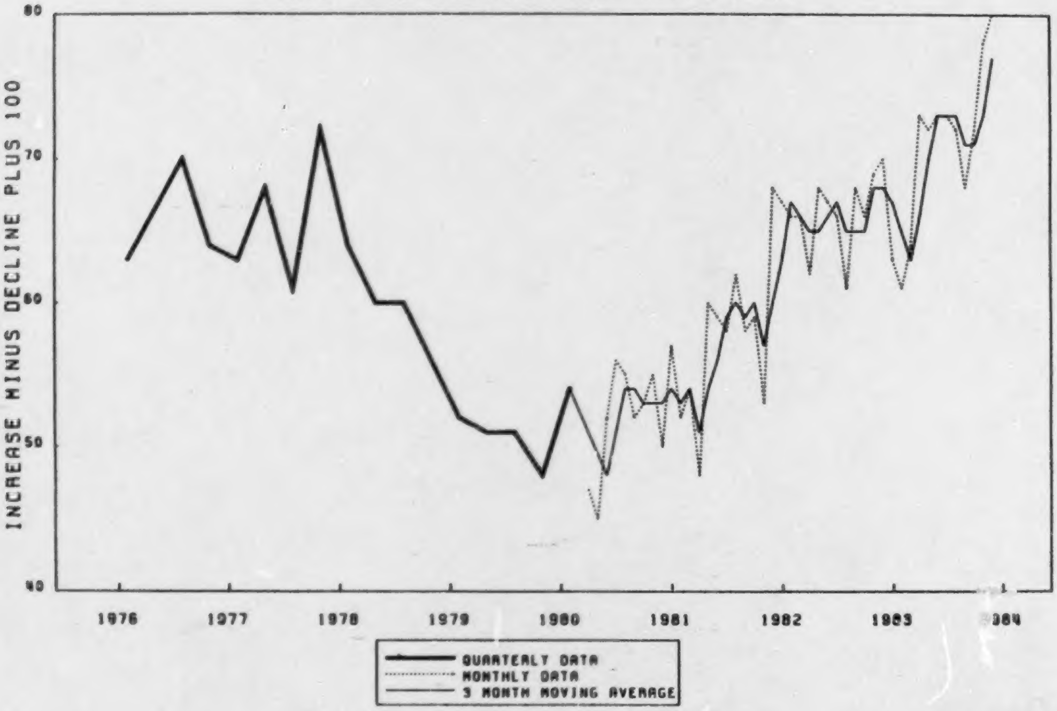


TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
REAL INCOME PROGRESS:													
Continuous increase (a)	8%	8%	8%	10%	9%	10%	9%	10%	10%	8%	11%	13%	12%
Intermittent increase (b)	11	9	8	8	11	10	12	13	13	10	10	12	14
Remain unchanged (c)	21	18	17	15	21	19	21	17	16	21	20	17	19
Intermittent decline (d)	25	24	27	27	23	23	23	23	24	23	21	23	23
Continuous decline (e)	24	30	28	27	24	25	25	27	27	27	28	24	23
Mixed change (f)	7	7	7	9	7	11	7	7	6	8	7	7	6
DK,NA	4	4	5	4	5	2	3	3	4	3	3	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	709	696	707	700	714	680	673	704	689	701	701

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

CHART 12 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

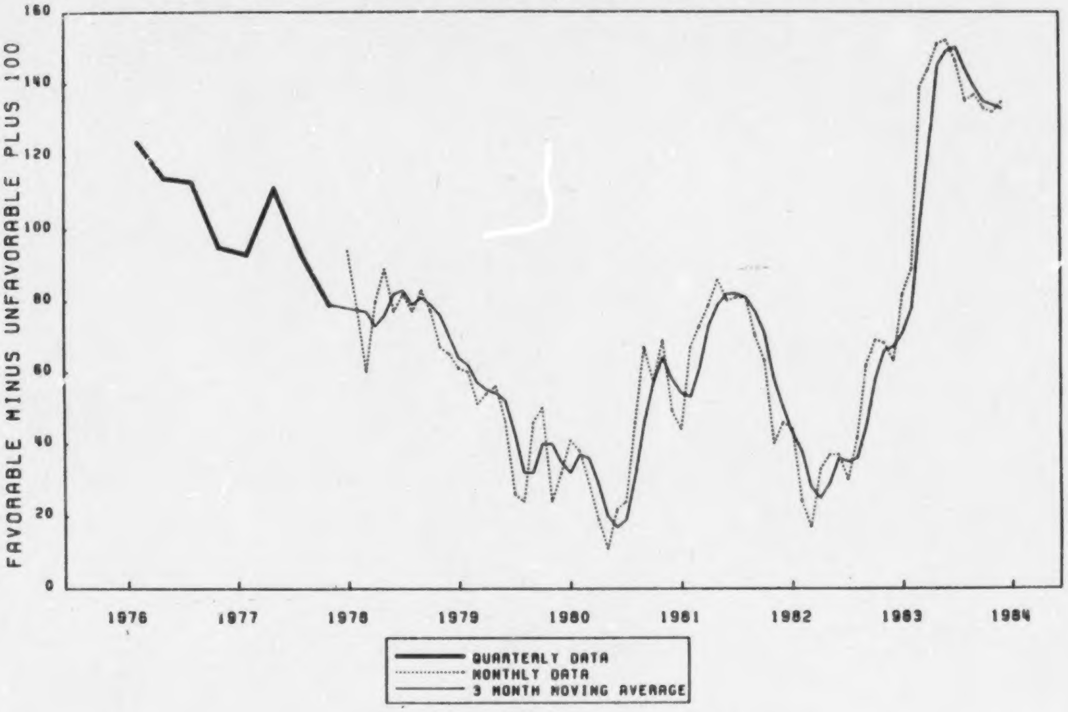


CHART 12 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

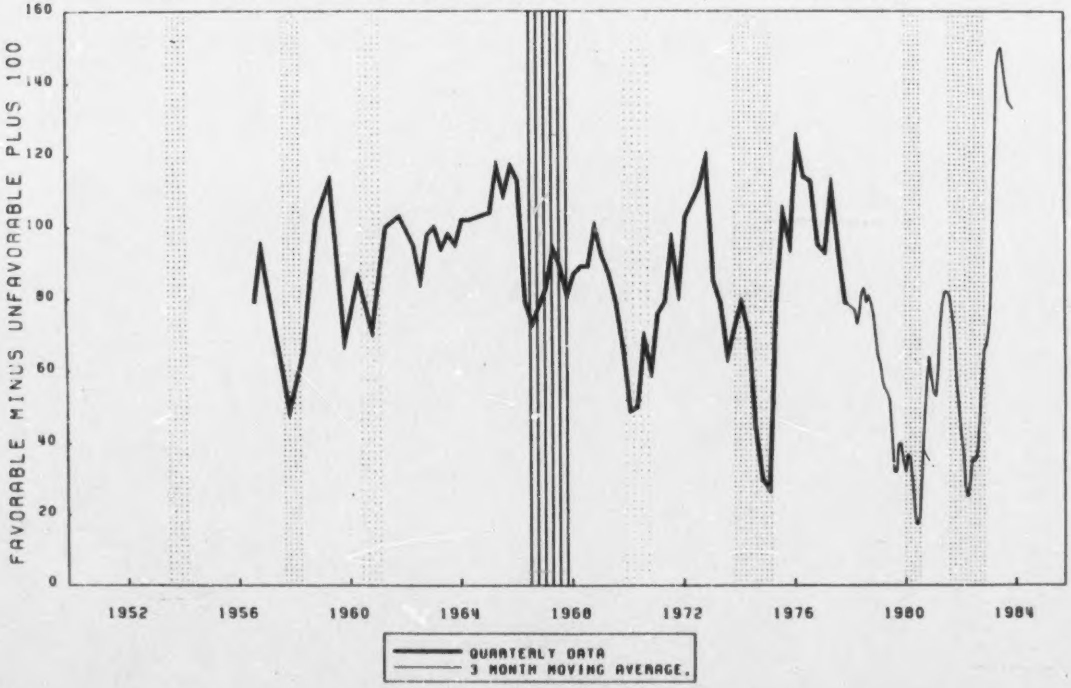


TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
FAVORABLE NEWS	39%	47%	49%	79%	76%	80%	83%	74%	69%	64%	63%	62%	60%
UNFAVORABLE NEWS	76	65	60	40	32	29	31	28	34	27	30	30	25
NO MENTIONS	27	28	32	28	32	31	27	34	34	43	41	39	42

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 13A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

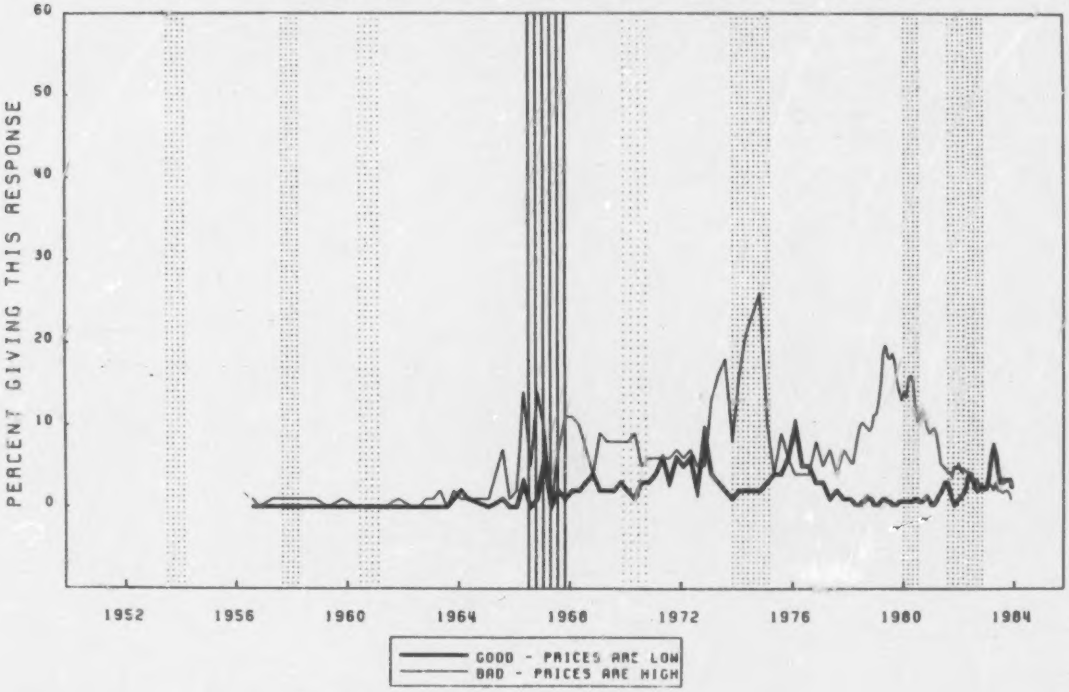


CHART 13B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

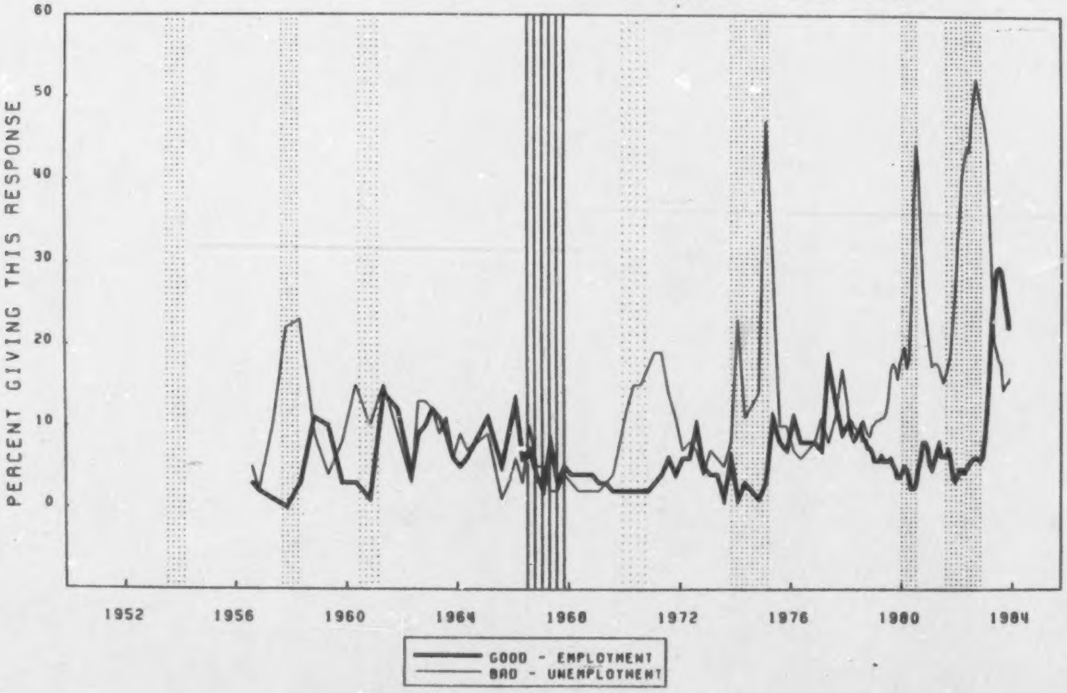


TABLE 13

SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
FAVORABLE NEWS:													
Government; elections	2%	3%	2%	2%	2%	1%	1%	2%	2%	1%	2%	2%	1%
Employment	7	12	17	22	29	28	31	29	27	25	23	22	22
Consumer demand high	3	4	6	8	8	11	12	11	13	11	11	13	12
Prices are low	2	3	6	9	7	3	3	3	3	4	3	3	2
Credit is easy	15	15	9	17	15	16	17	11	8	8	7	5	4
UNFAVORABLE NEWS:													
Government; elections	3	3	4	2	3	3	2	2	3	1	1	2	3
Unemployment	49	43	39	24	20	17	21	16	16	11	18	17	13
Consumer demand low	8	5	3	3	3	2	2	2	2	1	1	2	*
Prices are high	2	3	3	2	1	3	2	1	2	3	1	1	1
Credit is tight	1	2	1	*	1	1	1	3	6	4	2	1	2
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

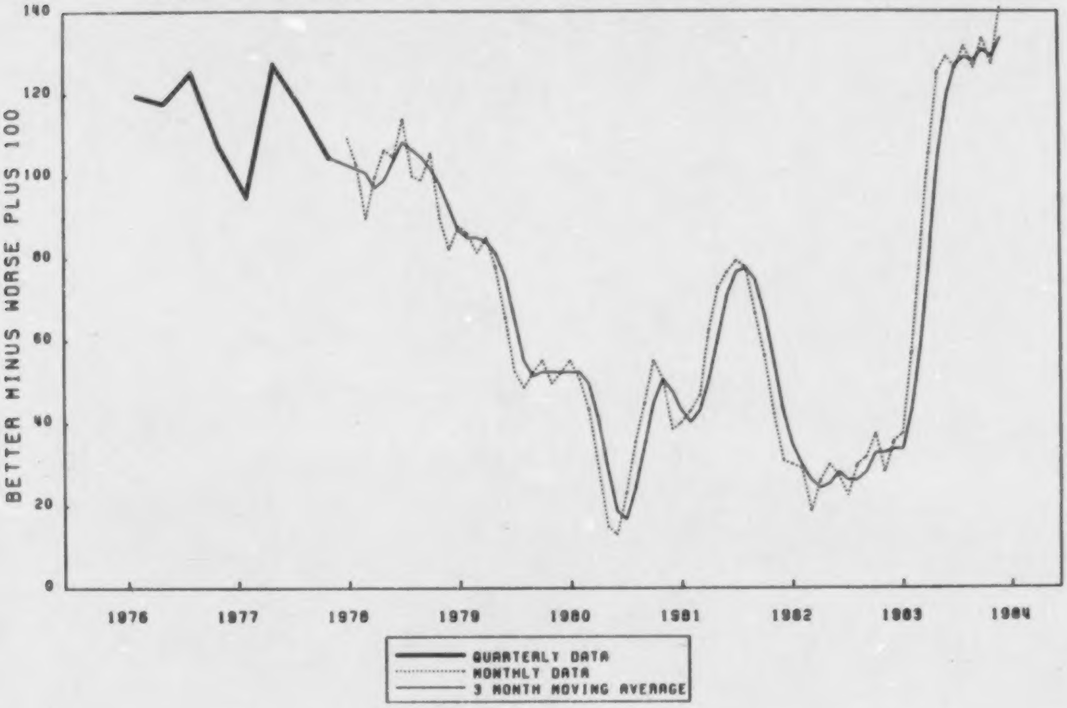


CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

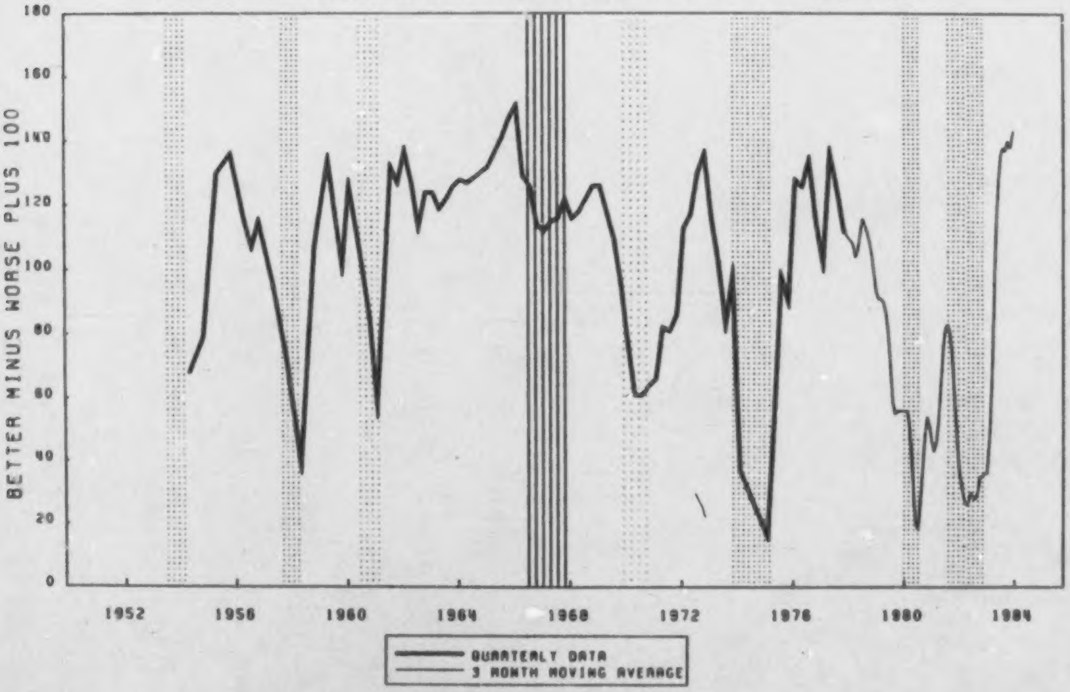


TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
BETTER NOW	14%	16%	26%	39%	51%	62%	64%	63%	66%	62%	66%	63%	71%
SAME	9	8	8	10	10	10	9	8	8	10	9	8	8
WORSE NOW	76	76	65	51	38	28	26	28	25	27	23	27	20
DK,NA	1	*	1	*	1	*	1	1	1	1	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	709	696	707	700	714	680	673	704	689	701	701

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

* : Less than half of one percent.

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

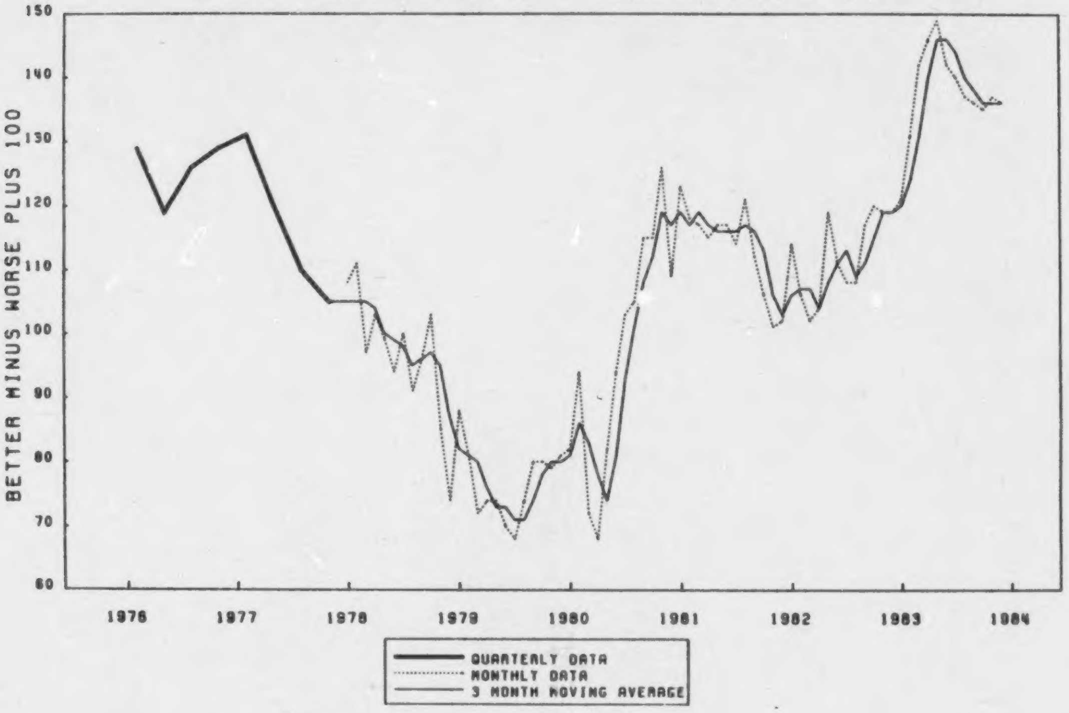


CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

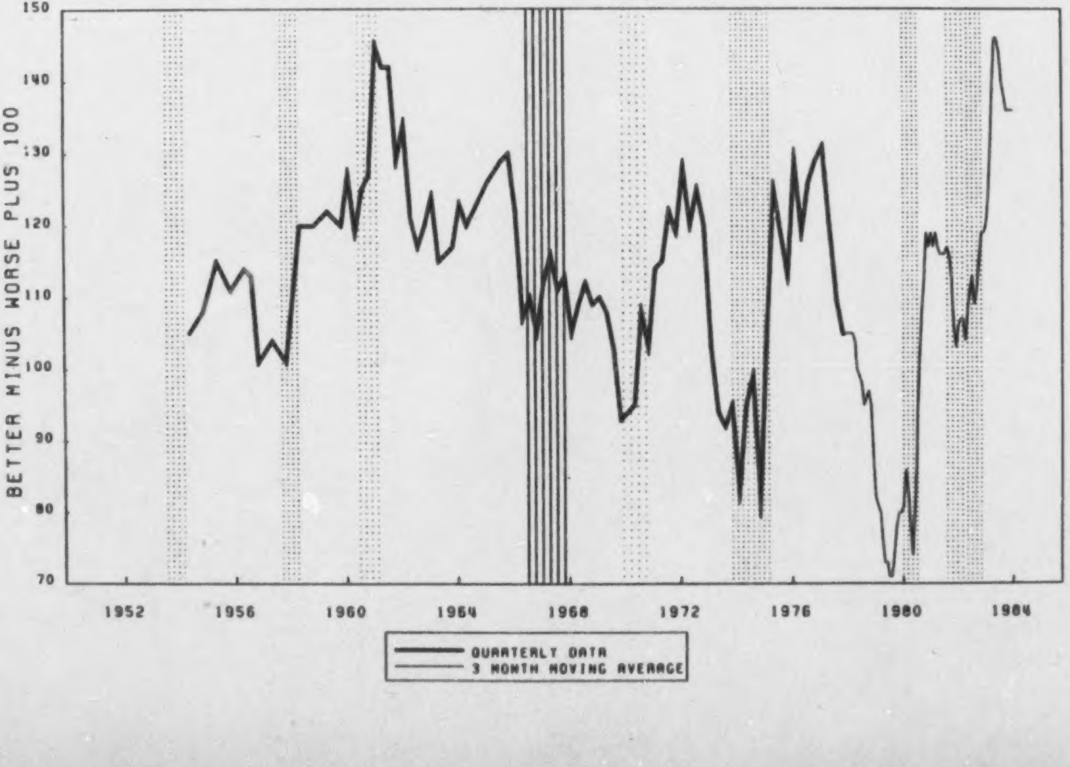


TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
BETTER	39%	38%	45%	51%	53%	55%	49%	48%	47%	46%	46%	46%	44%
SAME	41	43	40	39	38	38	42	42	42	42	41	43	45
WORSE	20	17	14	9	7	6	7	8	10	10	11	9	8
DK,NA	*	2	1	1	2	1	2	2	1	2	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	709	696	707	700	714	680	673	704	689	701	701

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

* : Less than half of one percent.

CHART 16A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

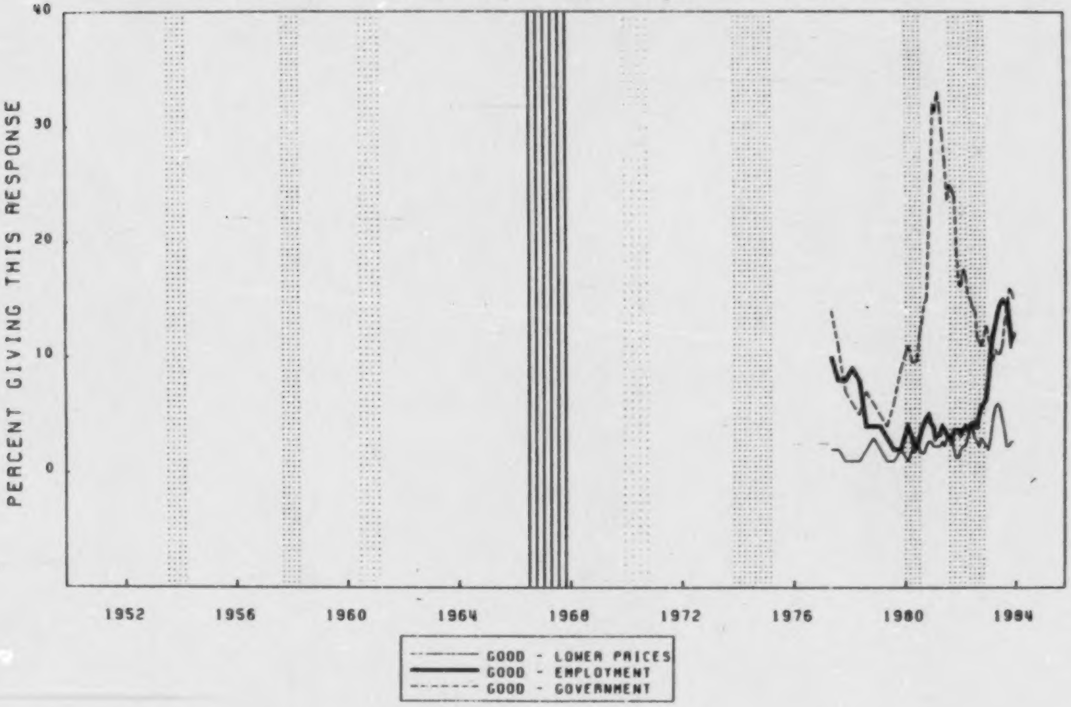


CHART 16B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

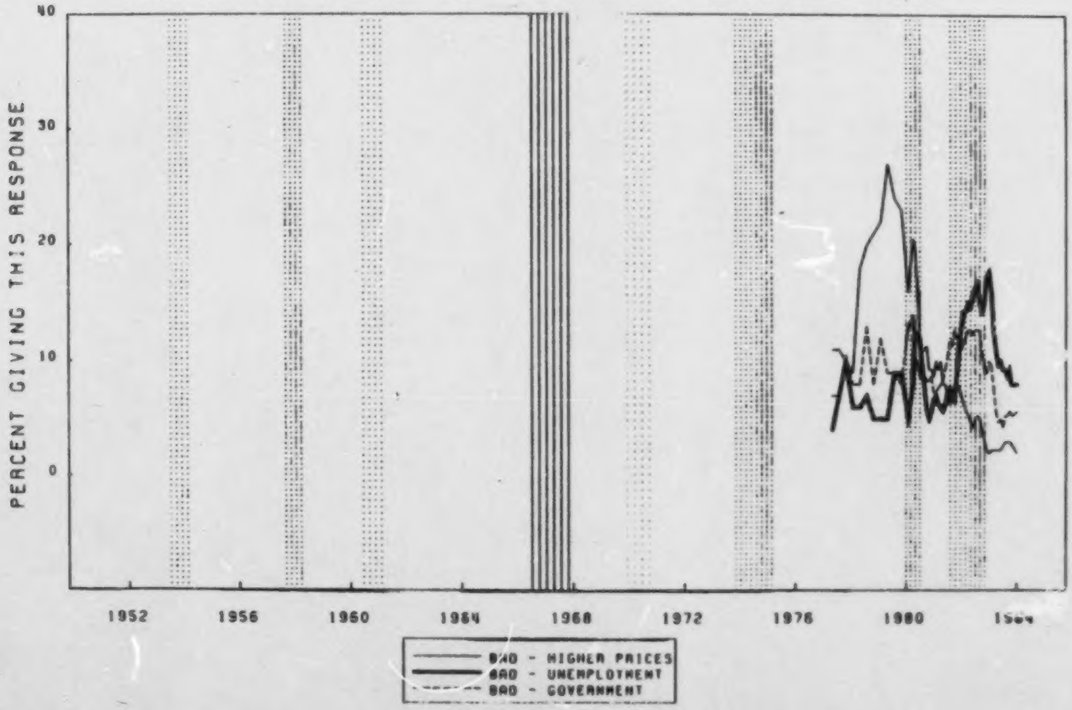


TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
FAVORABLE REASONS:													
Government; elections	13%	8%	11%	10%	11%	10%	10%	13%	16%	15%	17%	15%	13%
Employment	8	11	13	12	14	16	14	15	15	14	10	10	16
Higher consumer demand	6	5	7	6	9	10	9	7	6	7	8	8	8
Lower prices	2	3	4	7	6	5	6	3	2	2	3	2	3
Easier credit	12	12	12	13	14	12	12	7	6	5	6	4	4
UNFAVORABLE REASONS:													
Government; elections	11	11	7	5	5	4	6	4	6	6	5	5	6
Unemployment	20	15	13	10	10	9	11	8	9	9	10	8	8
Lower consumer demand	5	4	4	2	4	2	2	4	3	1	3	2	2
Higher prices	2	2	3	2	2	3	2	3	4	2	3	3	2
Tighter credit	2	2	2	1	2	2	3	4	3	2	2	2	1
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

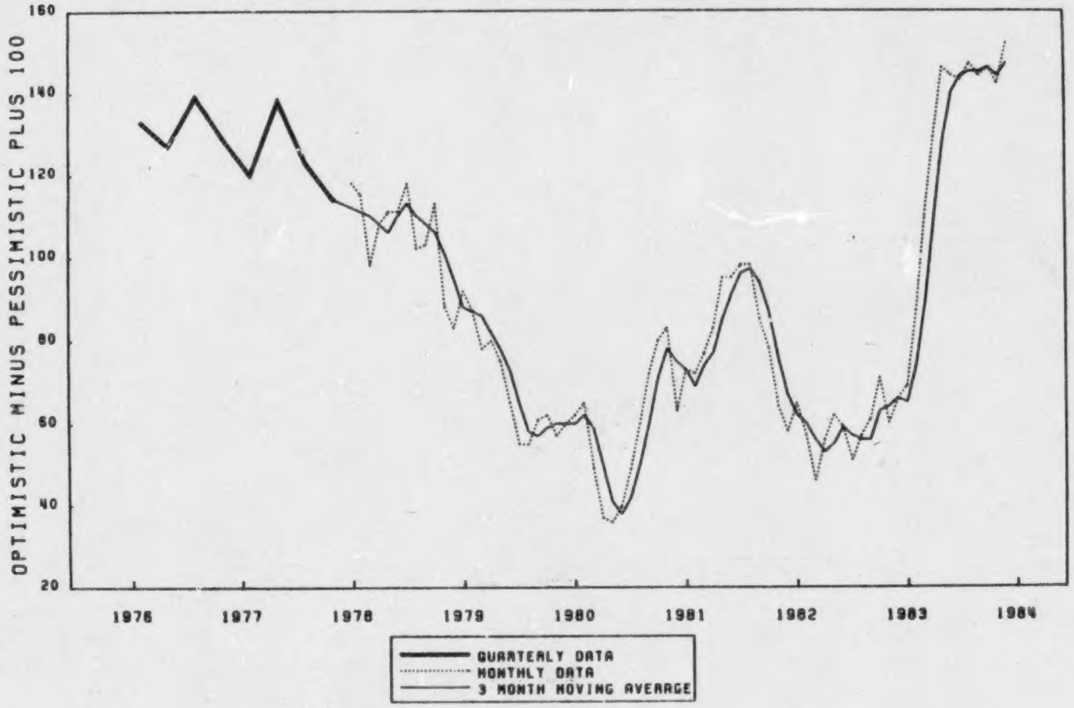


CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

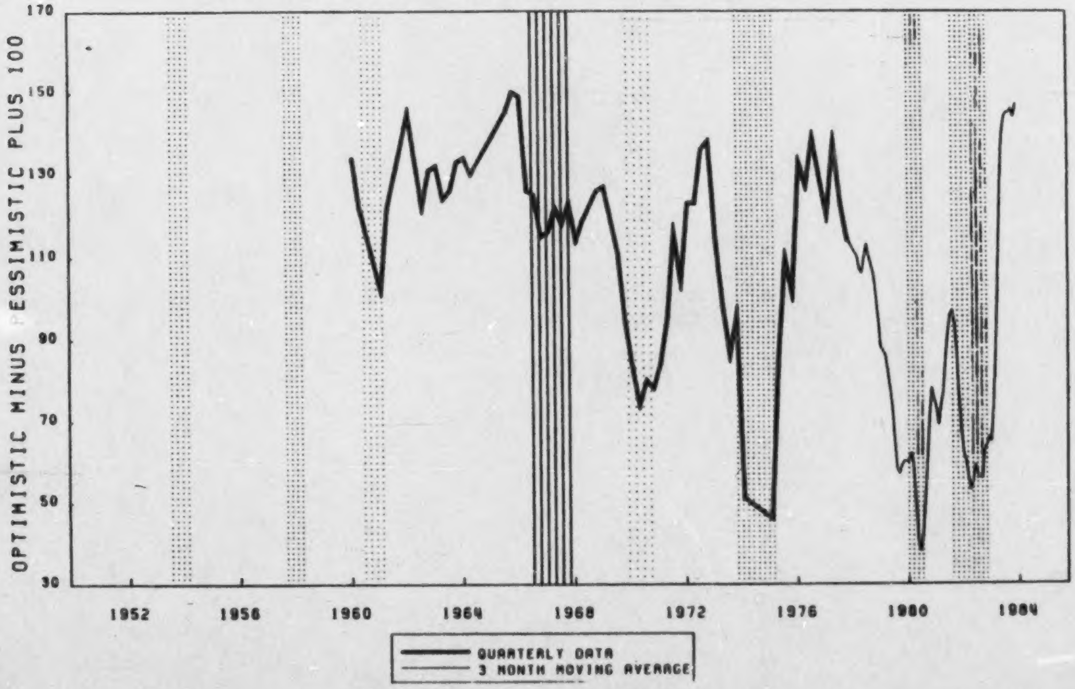


TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
TREND:													
Continuous increase (a)	8%	11%	18%	28%	36%	42%	39%	39%	38%	34%	39%	36%	38%
Intermittent increase (b)	9	9	11	15	18	23	26	24	27	28	26	27	30
Remain unchanged (c)	4	3	4	4	5	5	5	5	6	7	5	4	6
Intermittent decline (d)	33	35	29	25	19	14	16	15	12	12	13	17	12
Continuous decline (e)	18	16	13	8	6	5	5	5	6	6	6	4	4
Mixed change (f)	27	24	23	18	14	10	7	9	9	10	7	9	7
DK,NA	1	2	2	2	2	1	2	3	2	3	4	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	709	696	707	700	714	680	673	704	689	701	701

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

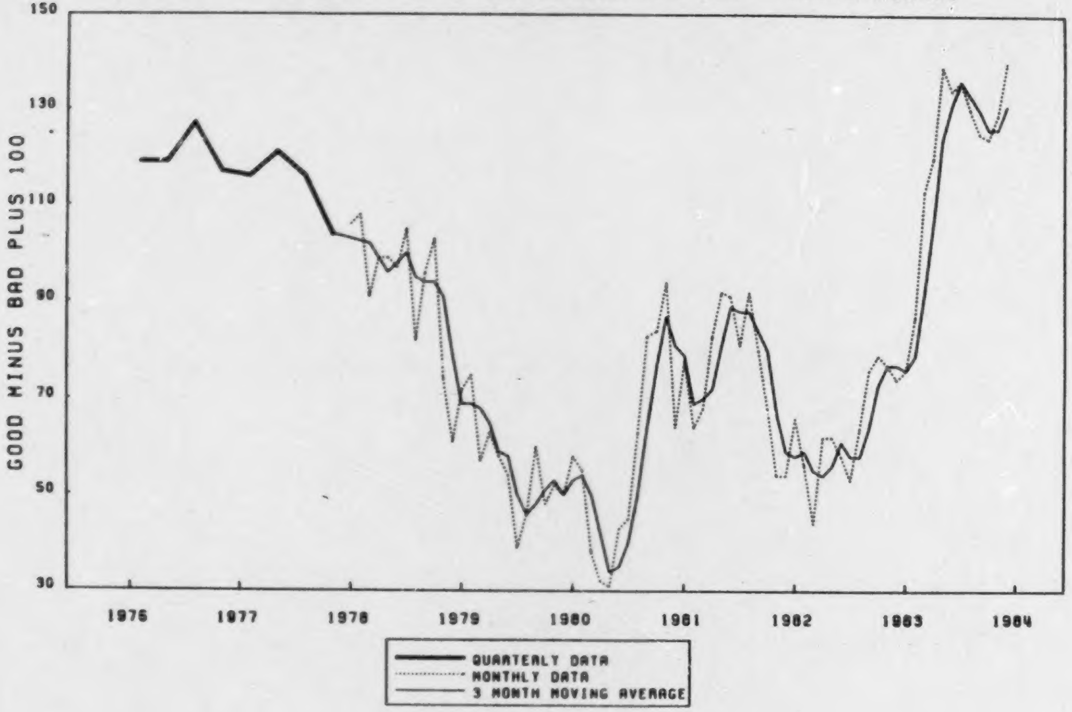


CHART 18 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

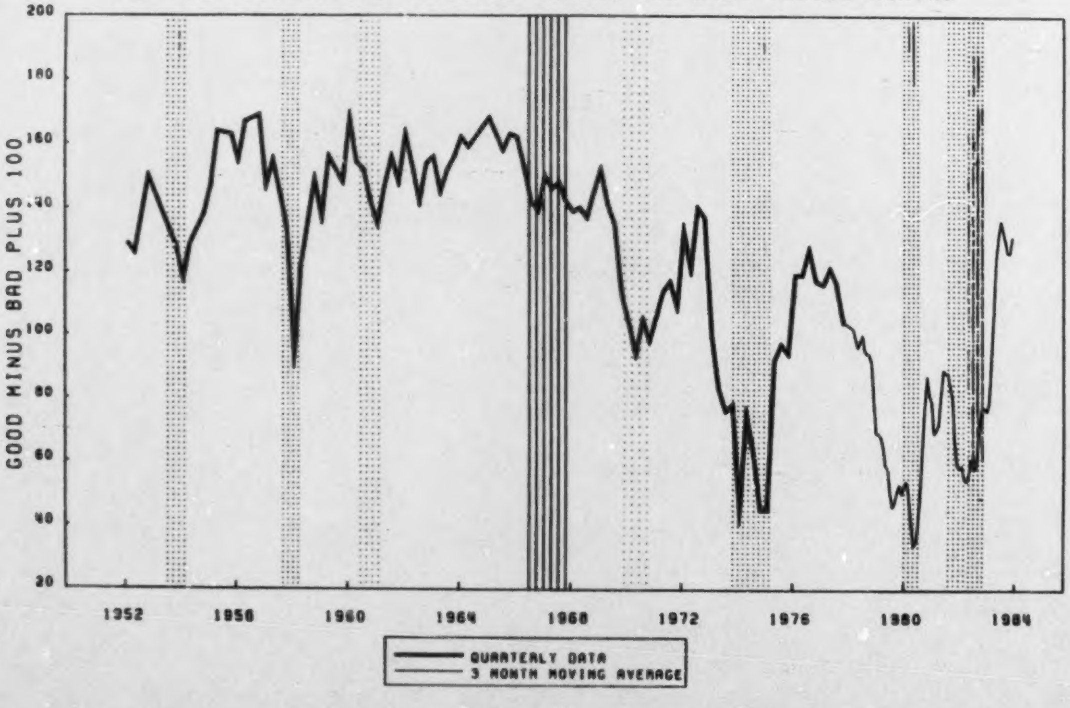


TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
GOOD TIMES	32%	34%	39%	52%	56%	65%	63%	63%	60%	58%	58%	59%	67%
UNCERTAIN; GOOD & BAD	2	1	1	2	1	2	3	3	3	2	3	3	2
BAD TIMES	58	58	52	39	36	26	29	27	30	33	34	30	27
DON'T KNOW	5	3	3	4	3	4	3	6	5	5	4	6	3
NOT ASCERTAINED	3	4	5	3	4	3	2	1	2	2	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	709	696	707	700	714	680	673	704	689	701	701

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

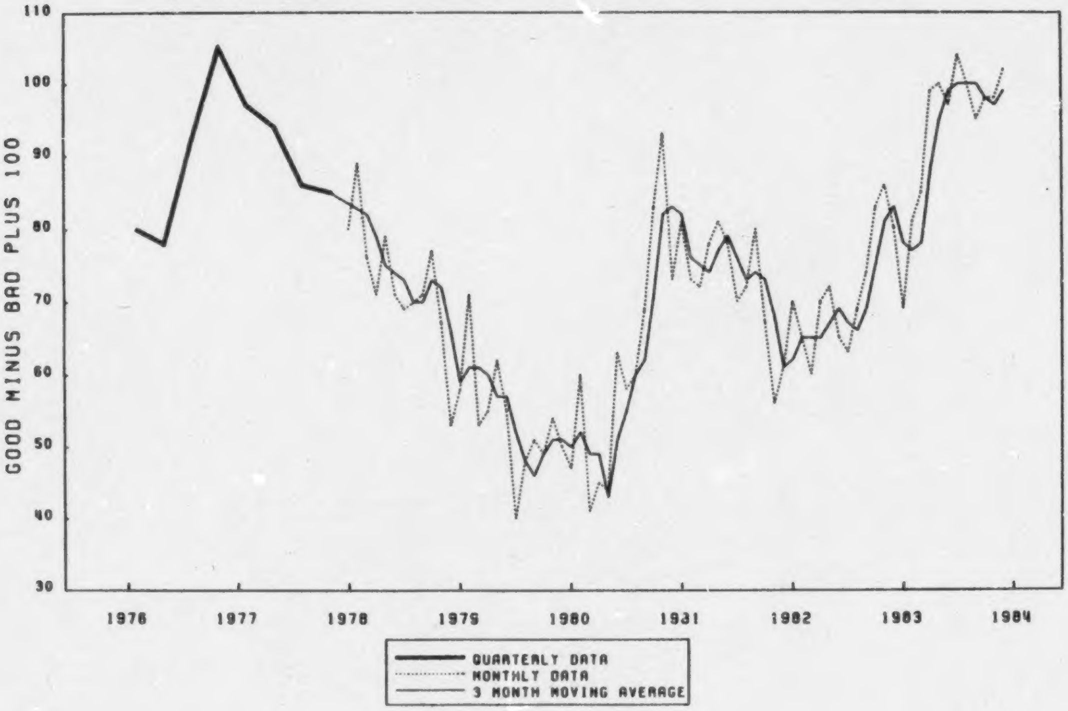


CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

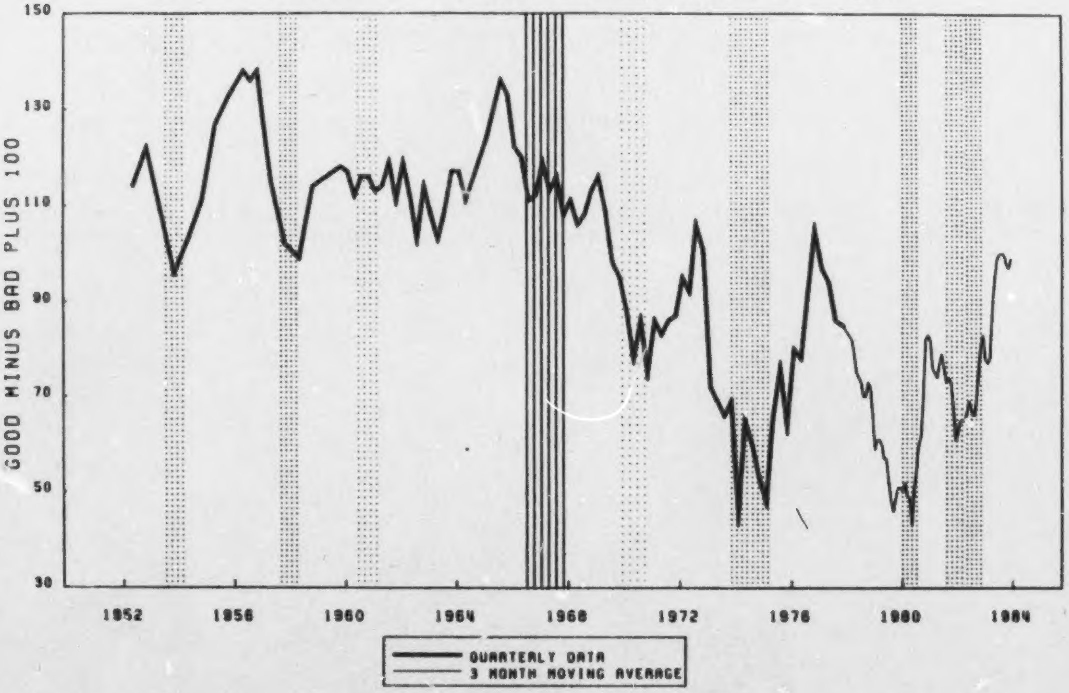


TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
GOOD TIMES	29%	26%	31%	33%	38%	39%	39%	39%	37%	37%	39%	39%	39%
UNCERTAIN; GOOD & BAD	14	12	13	15	18	18	15	20	22	19	17	15	21
BAD TIMES	49	57	50	48	39	39	42	35	37	42	41	41	37
NOT ASCERTAINED	8	5	6	4	5	4	4	6	4	2	3	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	709	696	707	700	714	680	673	704	689	701	701

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

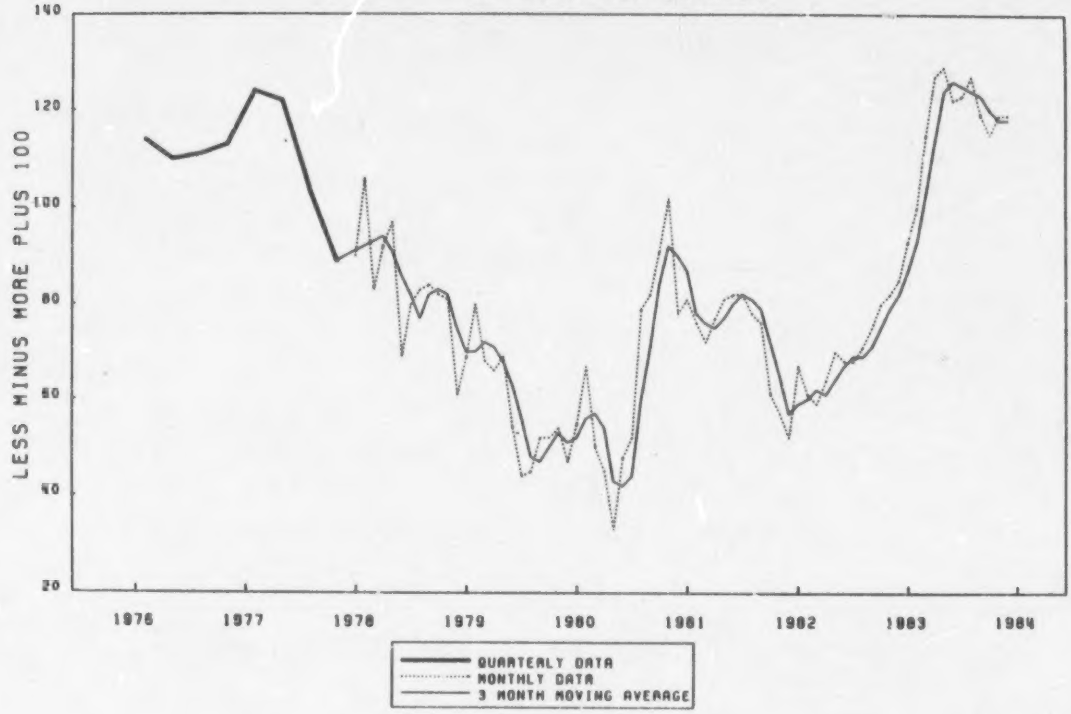


CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

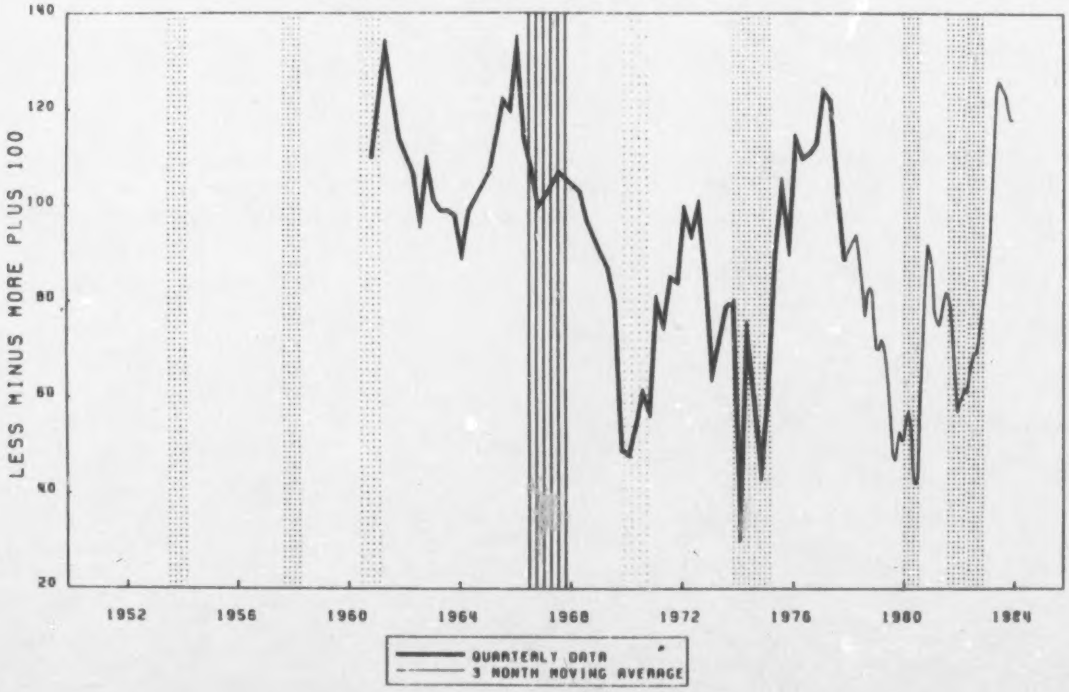


TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
LESS	22%	23%	29%	36%	42%	42%	37%	39%	42%	36%	35%	35%	36%
SAME	40	45	41	43	41	44	47	44	40	46	44	47	45
MORE	37	30	29	21	15	13	15	16	15	17	20	16	17
DK,NA	1	2	1	*	2	1	1	1	3	1	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	709	696	707	700	714	680	673	704	689	701	701

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

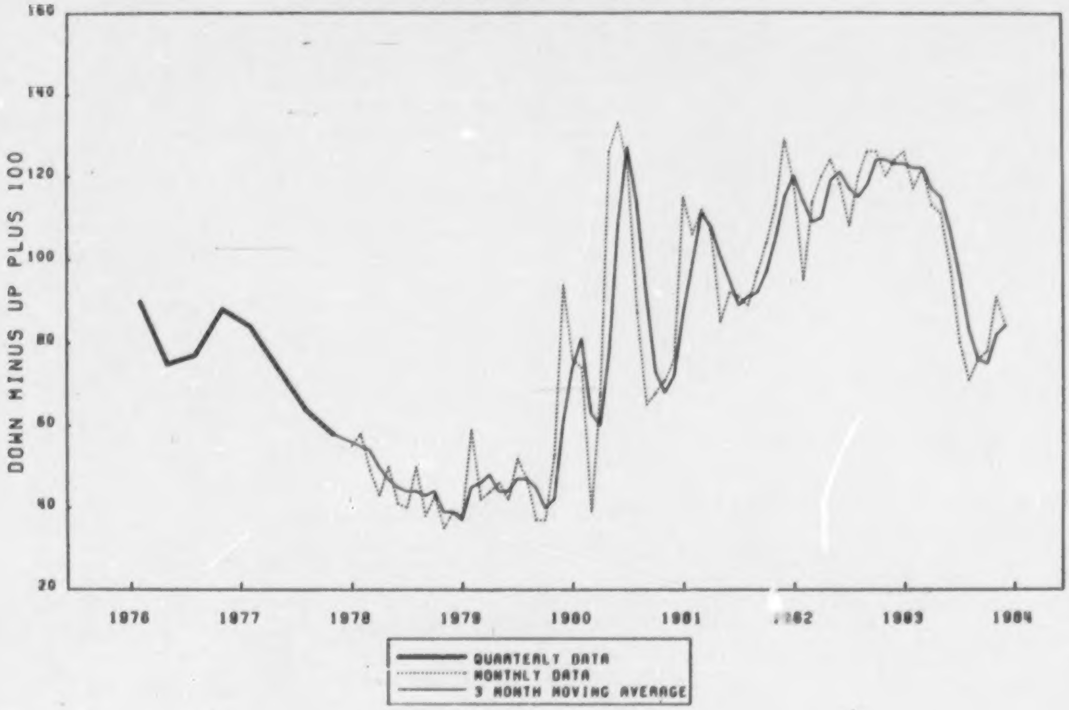


CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

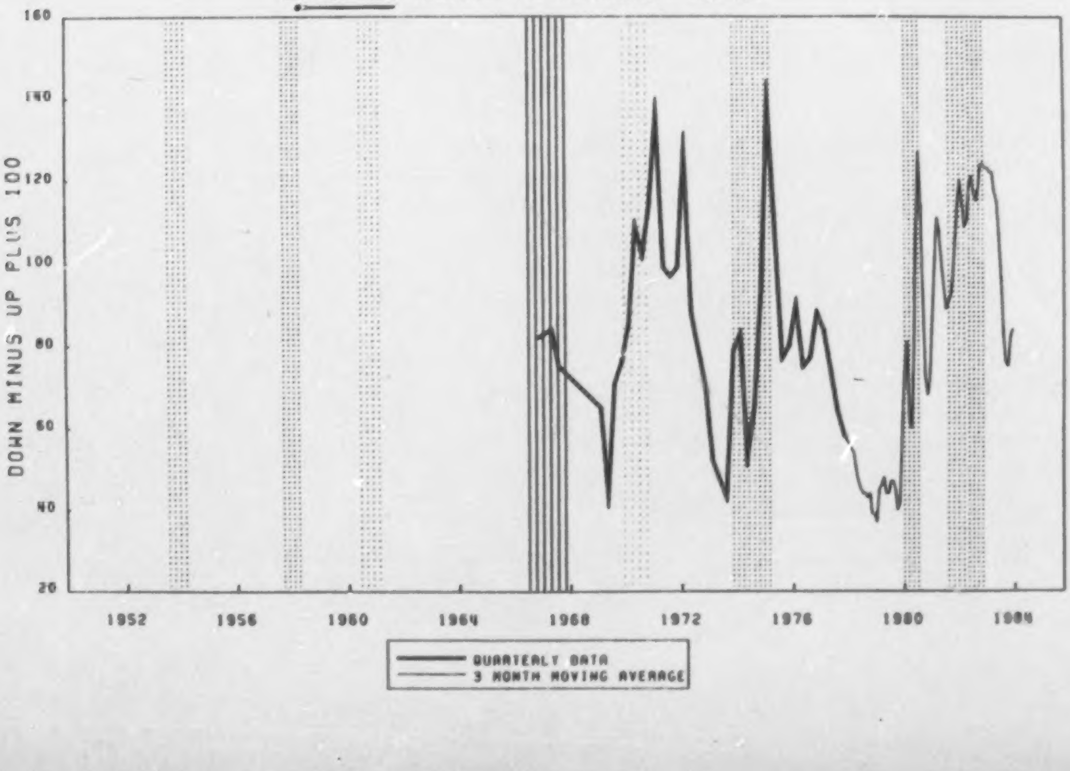


TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
GO UP	20%	18%	24%	19%	21%	20%	29%	40%	47%	44%	43%	33%	37%
STAY THE SAME	33	35	32	38	42	47	42	37	32	33	33	40	37
GO DOWN	44	44	41	41	34	31	27	20	18	20	21	24	21
DK,NA	3	3	3	2	3	2	2	3	3	3	3	3	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	709	696	707	700	714	680	673	704	689	701	701

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22 - RECENT CHANGES
CHANGE IN PRICES DURING THE LAST 12 MONTHS

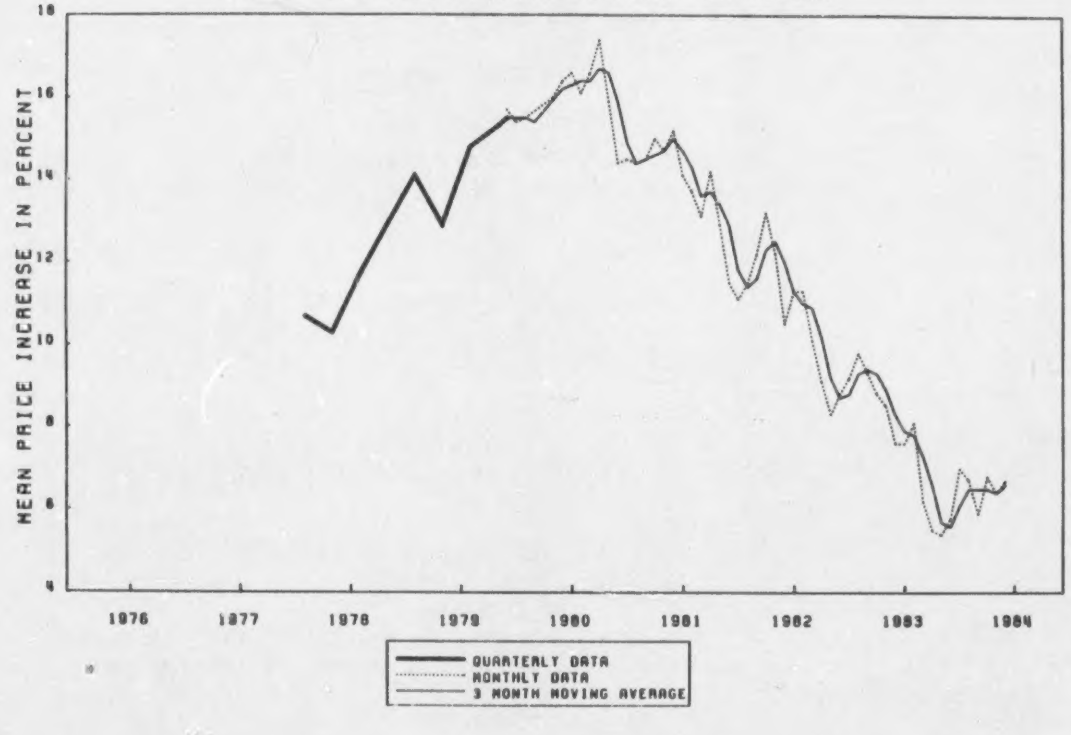


TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
SAME OR DOWN	20%	23%	24%	31%	30%	31%	29%	23%	25%	25%	21%	24%	24%
GONE UP BY:													
1-2%	6	7	5	6	8	9	8	8	8	11	8	9	8
3-4%	9	11	10	10	10	13	13	14	14	13	14	13	15
5%	17	17	15	12	17	13	14	13	16	15	16	15	15
6-9%	12	9	10	9	9	8	11	11	8	7	11	8	8
10-14%	17	15	14	15	11	14	11	13	13	12	14	14	11
15% or more	14	12	16	11	9	8	10	11	11	9	11	9	10
DK how much up	5	5	5	5	5	4	3	6	5	7	4	7	8
DK,NA	*	1	1	1	1	*	1	1	*	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	7.6	7.6	8.1	6.2	5.5	5.4	5.8	7.0	6.7	5.9	6.8	6.4	6.7
VARIANCE	82	108	113	71	64	61	65	88	93	71	81	76	90
CASES	682	682	709	696	707	700	714	680	673	704	689	701	701

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent, do you think prices have gone up, on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

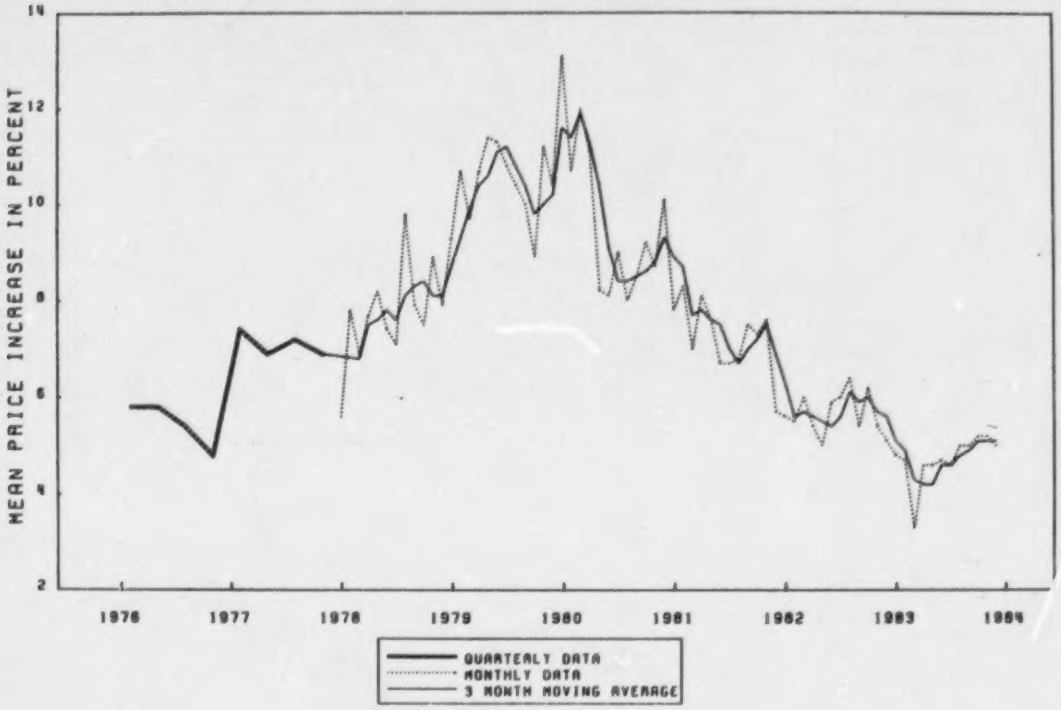


CHART 23 - HISTORICAL SERIES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

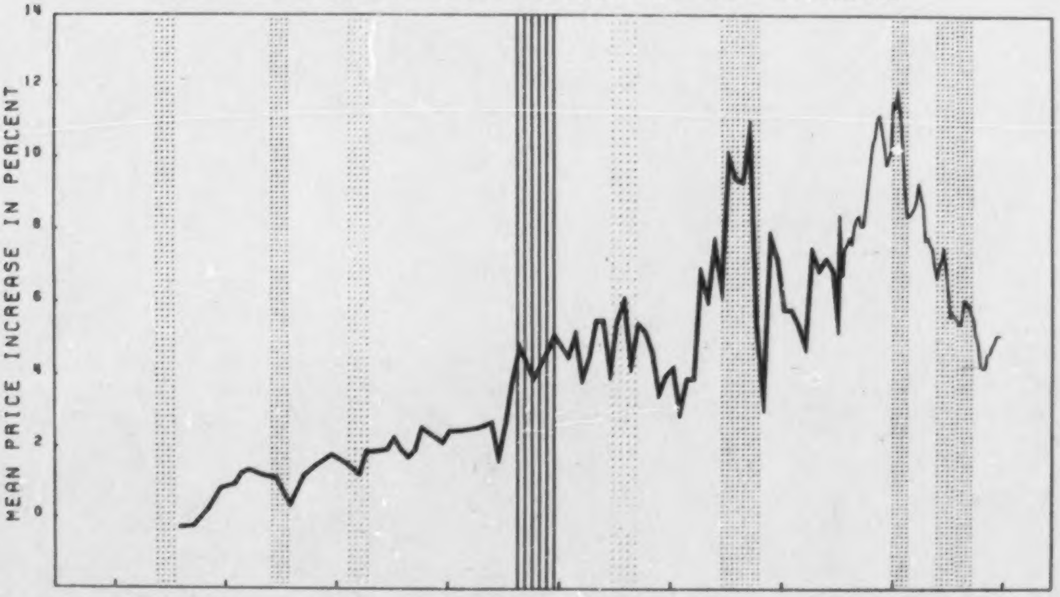


TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
SAME OR DOWN	33%	35%	36%	44%	30%	32%	33%	29%	23%	28%	24%	25%	23%
WILL GO UP BY:													
1-2%	6	10	8	9	10	9	8	12	14	13	12	12	12
3-4%	13	11	12	12	13	13	15	15	16	14	15	14	15
5%	15	16	15	14	17	17	16	15	16	16	15	16	17
6-9%	9	7	9	5	10	10	9	9	9	7	10	9	8
10-14%	11	9	8	8	9	10	9	9	9	10	11	11	11
15% or more	8	7	7	4	5	5	6	6	6	7	8	6	5
DK how much up	3	3	3	3	4	3	3	3	5	4	4	5	7
DK,NA	2	2	2	1	2	1	1	2	2	1	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	5.1	4.8	4.7	3.3	4.6	4.6	4.7	4.6	5.0	5.0	5.2	5.2	5.0
VARIANCE	56	67	60	33	45	49	54	44	47	51	36	54	44
CASES	682	682	709	696	707	700	714	680	673	704	689	701	701

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

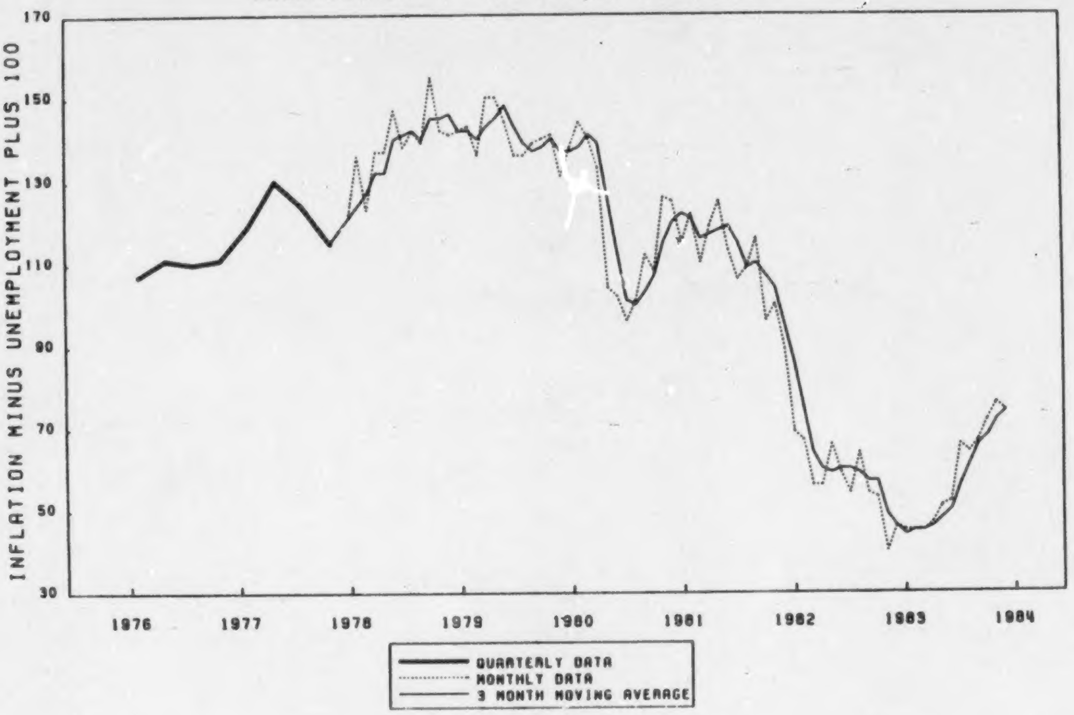


CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

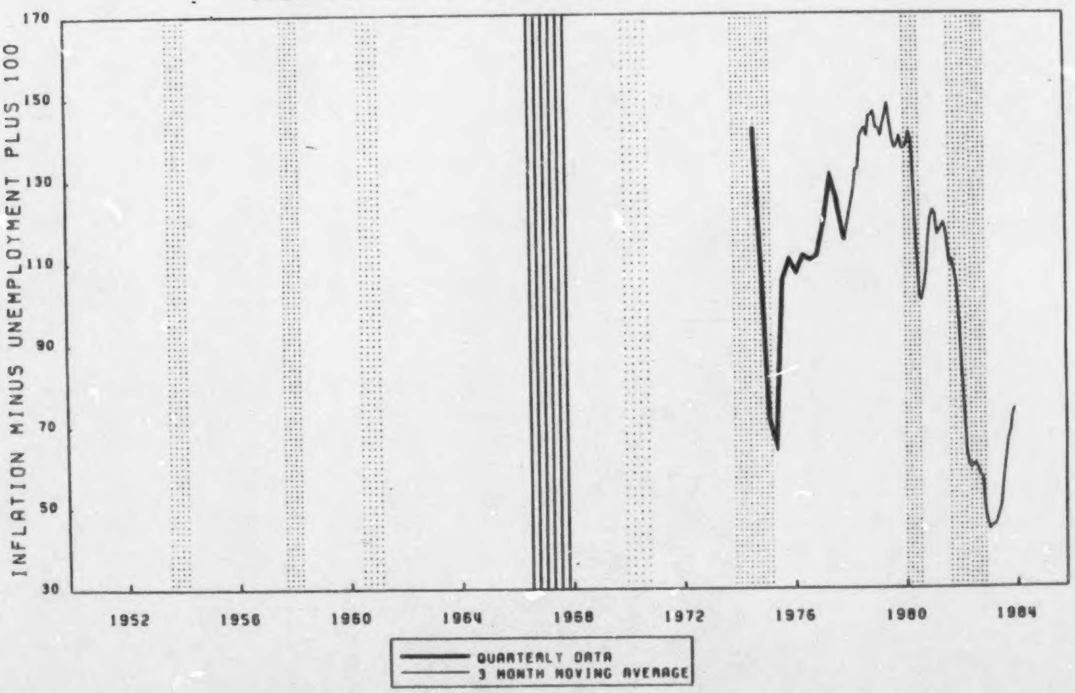


TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
UNEMPLOYMENT	72%	74%	73%	73%	73%	71%	70%	63%	65%	62%	61%	57%	59%
BOTH EQUALLY SERIOUS	9	5	8	8	6	6	7	6	5	8	5	7	6
INFLATION	18	19	18	18	20	22	22	29	29	29	33	33	33
DK,NA	1	2	1	1	1	1	1	2	1	1	1	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	709	696	707	700	714	680	673	704	689	701	701

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

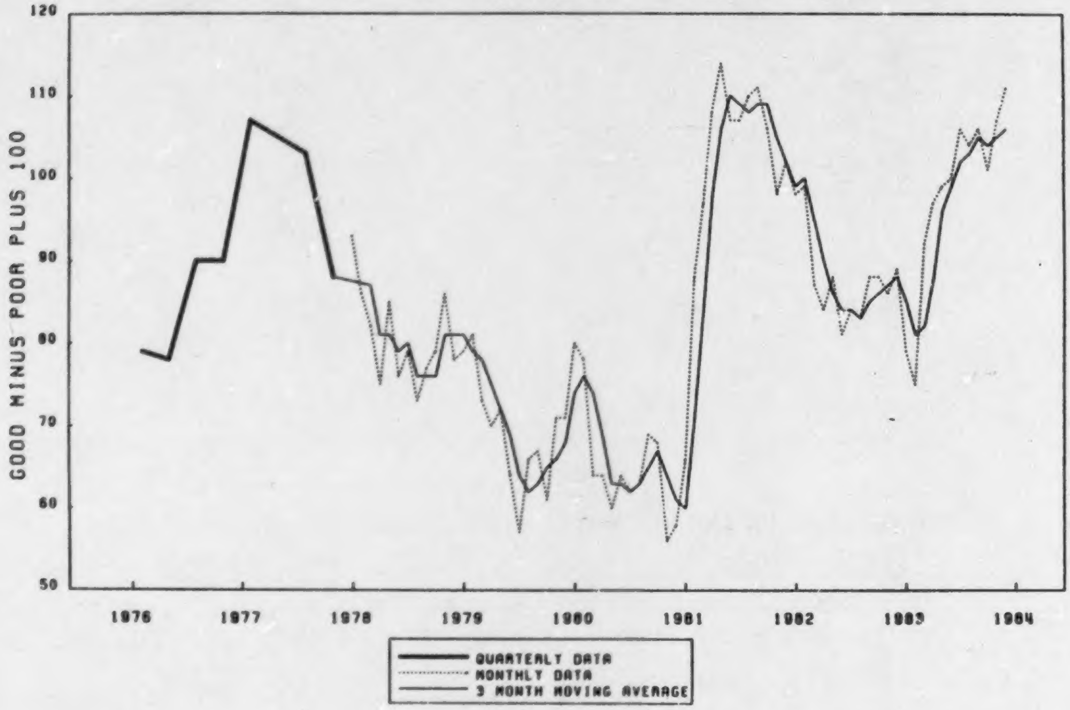


CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

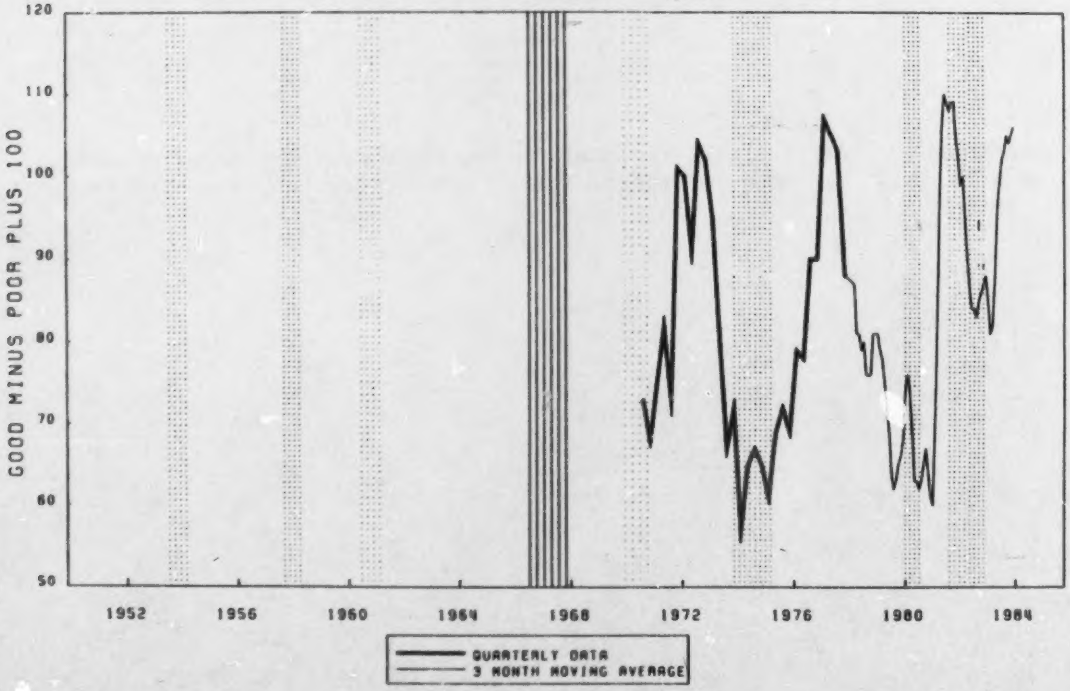


TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
A GOOD JOB	19%	16%	16%	21%	21%	20%	23%	27%	27%	27%	25%	27%	29%
ONLY FAIR	47	45	40	48	53	57	52	51	48	50	50	49	51
A POOR JOB	30	37	41	29	24	21	23	21	23	21	24	20	18
DK,NA	4	2	3	2	2	2	2	1	2	2	1	4	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	709	696	707	700	714	680	673	704	689	701	701

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

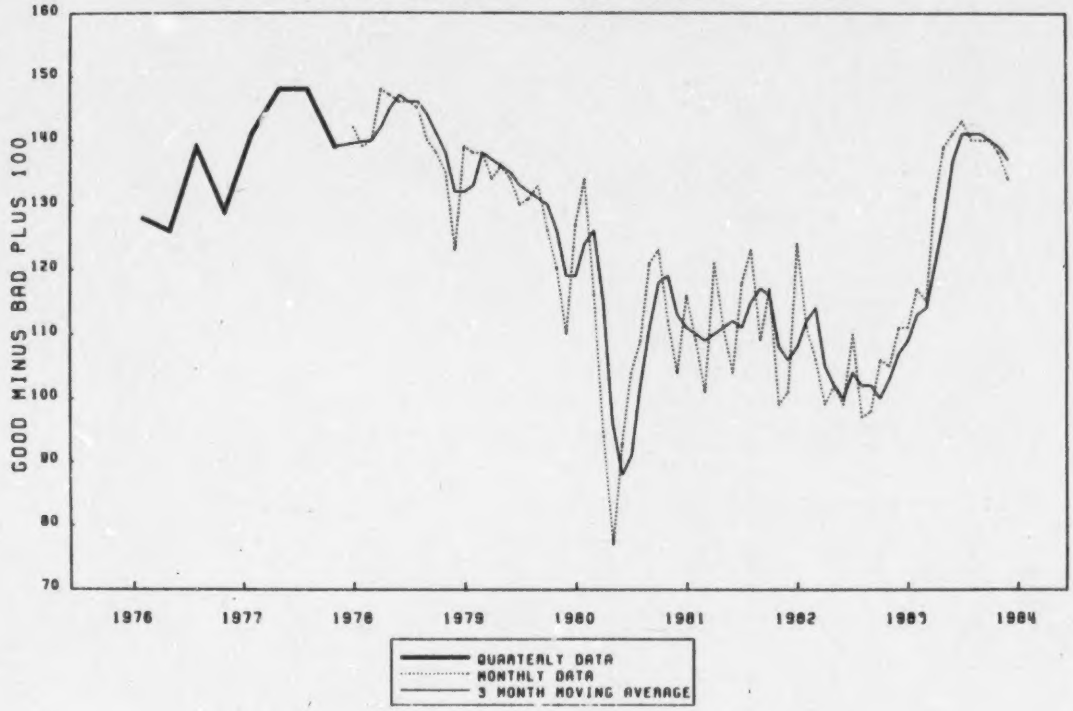


CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

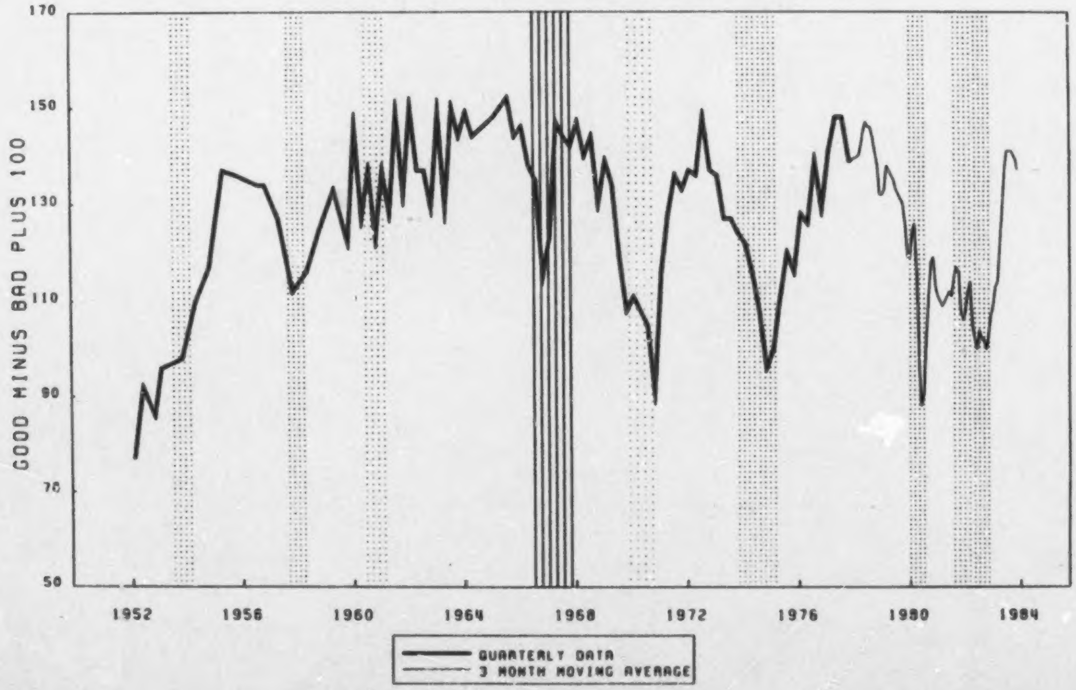


TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
GOOD TIME TO BUY	50%	51%	54%	53%	61%	67%	66%	67%	64%	66%	65%	64%	61%
UNCERTAIN, DEPENDS	11	9	9	9	9	5	9	9	12	8	10	10	12
BAD TIME TO BUY	39	40	37	38	30	28	25	24	24	26	25	26	27
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	709	696	707	700	714	680	673	704	689	701	701

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 27A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

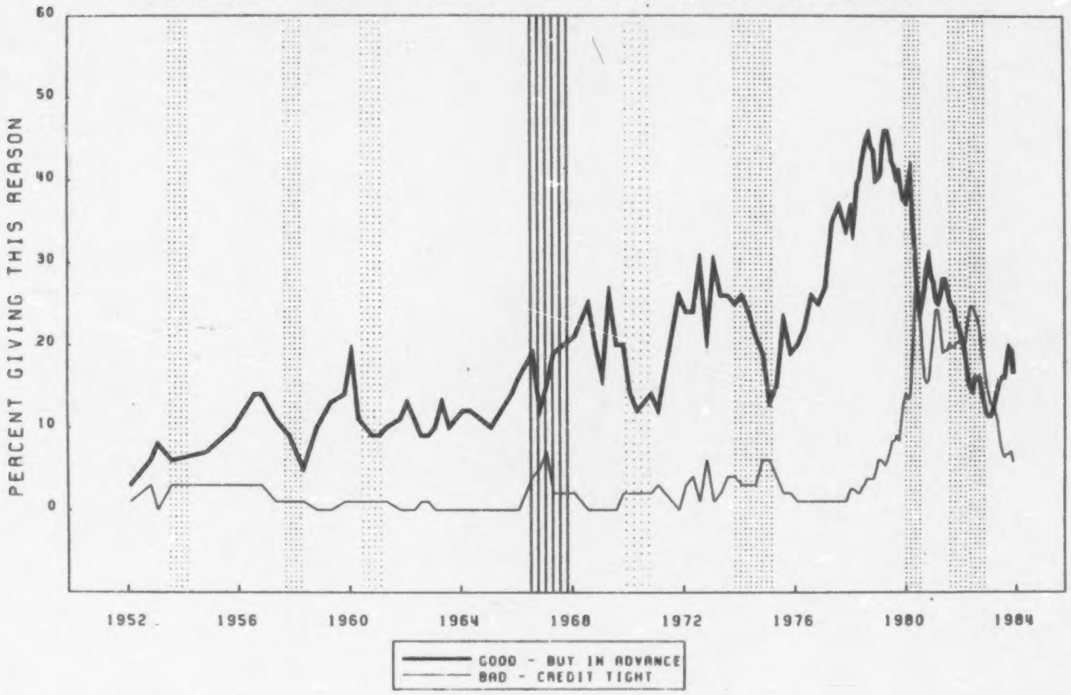


CHART 27B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

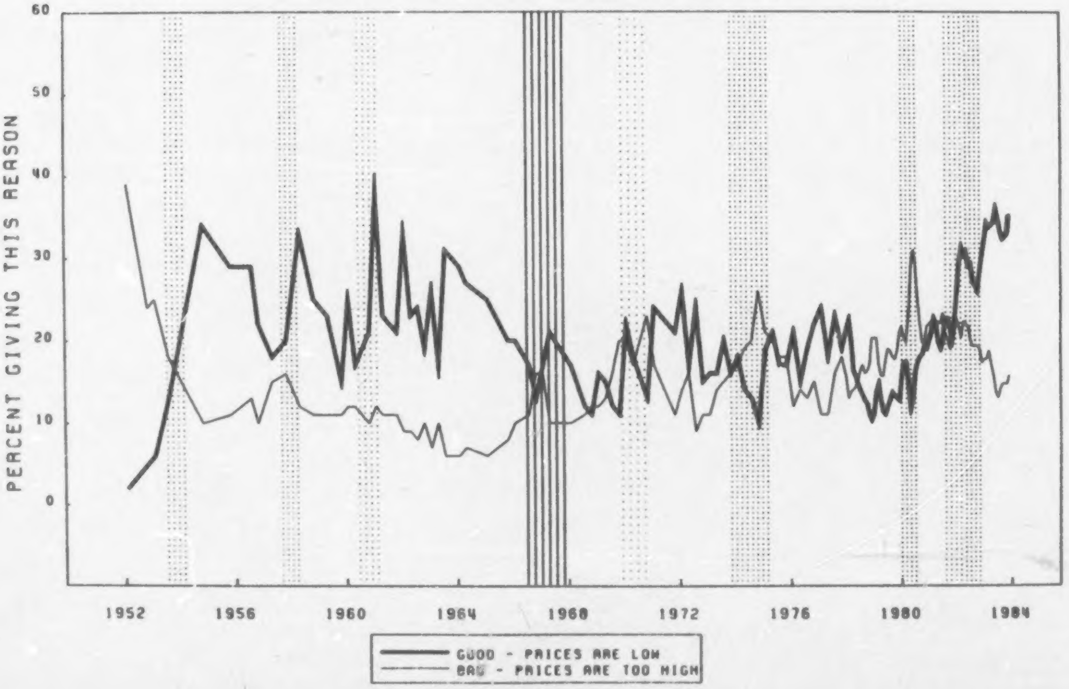


TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
GOOD TIME TO BUY:													
Prices are low; good buys available	32%	33%	38%	30%	36%	37%	35%	32%	33%	32%	33%	34%	38%
Prices won't come down; are going higher	10	13	11	12	15	17	15	16	17	21	21	16	13
Interest rates low; credit is easy	8	7	8	12	14	13	16	13	12	12	7	8	7
BAD TIME TO BUY:													
Prices are high	16	19	18	19	16	12	13	14	15	15	14	15	18
Interest rates are high; credit is tight	13	12	13	13	11	8	6	7	6	7	7	7	3
Lack of purchasing power	21	22	16	18	15	16	12	9	11	11	12	8	10

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

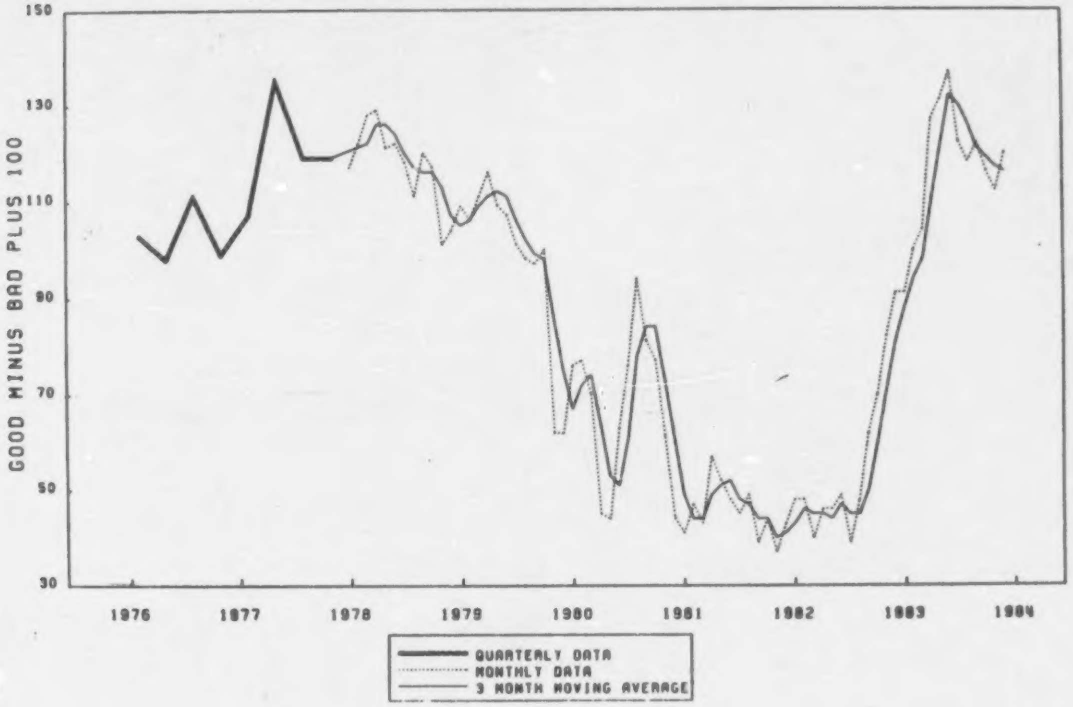


CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

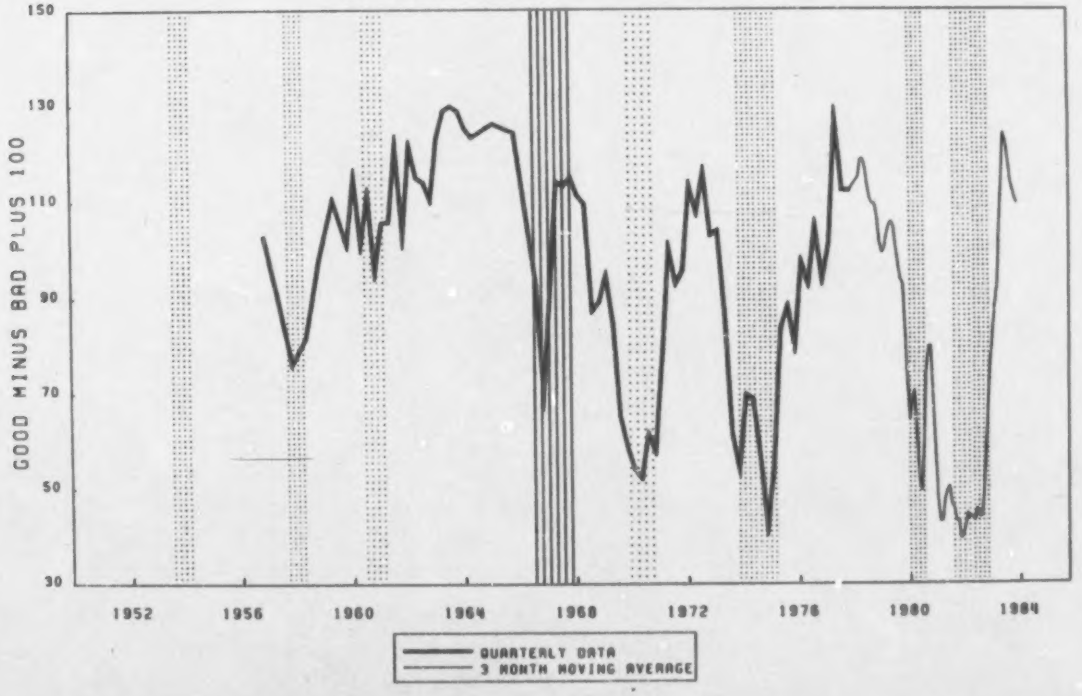


TABLE 28

BUYING CONDITIONS FOR HOUSES

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
GOOD TIME TO BUY	44%	44%	49%	51%	61%	64%	66%	59%	57%	59%	55%	53%	57%
UNCERTAIN, DEPENDS	3	3	2	2	5	3	5	4	4	4	6	6	6
BAD TIME TO BUY	53	53	49	47	34	33	29	37	39	37	39	41	37
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	709	696	707	700	714	680	673	704	689	701	701

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 29A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

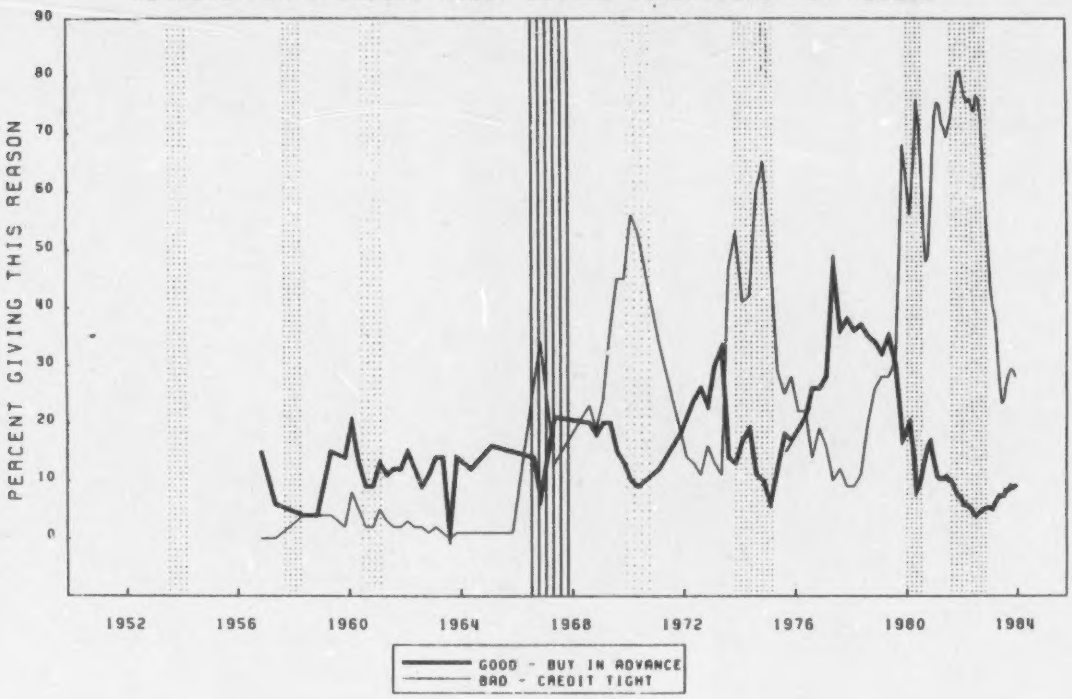


CHART 29B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

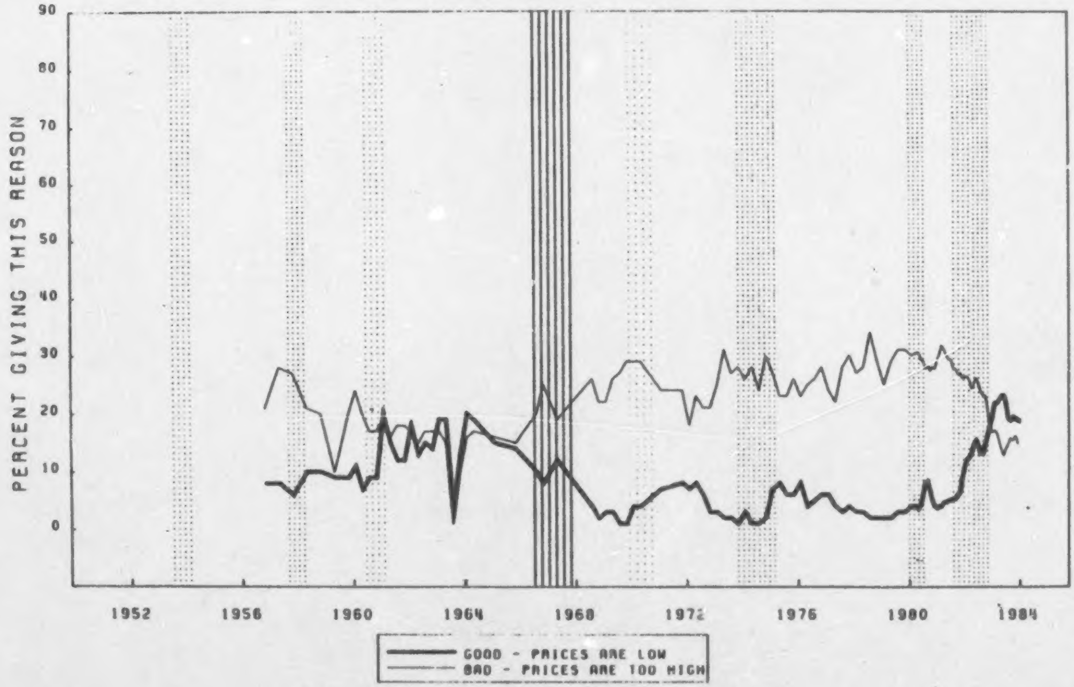


TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
GOOD TIME TO BUY:													
Prices are low; good buys available	20%	21%	24%	20%	24%	25%	20%	20%	17%	19%	22%	16%	18%
Prices won't come down; are going higher	5	5	5	8	7	7	8	7	10	8	9	9	9
Interest rates low; credit is easy	35	37	40	44	54	57	61	49	44	47	38	40	41
Good investment	6	4	4	3	5	4	7	5	8	6	8	5	6
BAD TIME TO BUY:													
Prices are high	17	17	17	16	13	12	13	17	14	16	16	16	13
Interest rates are high; credit is tight	40	41	39	35	24	23	23	26	31	28	29	30	25
Lack of purchasing power	23	24	20	21	14	16	11	12	14	14	15	16	13

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

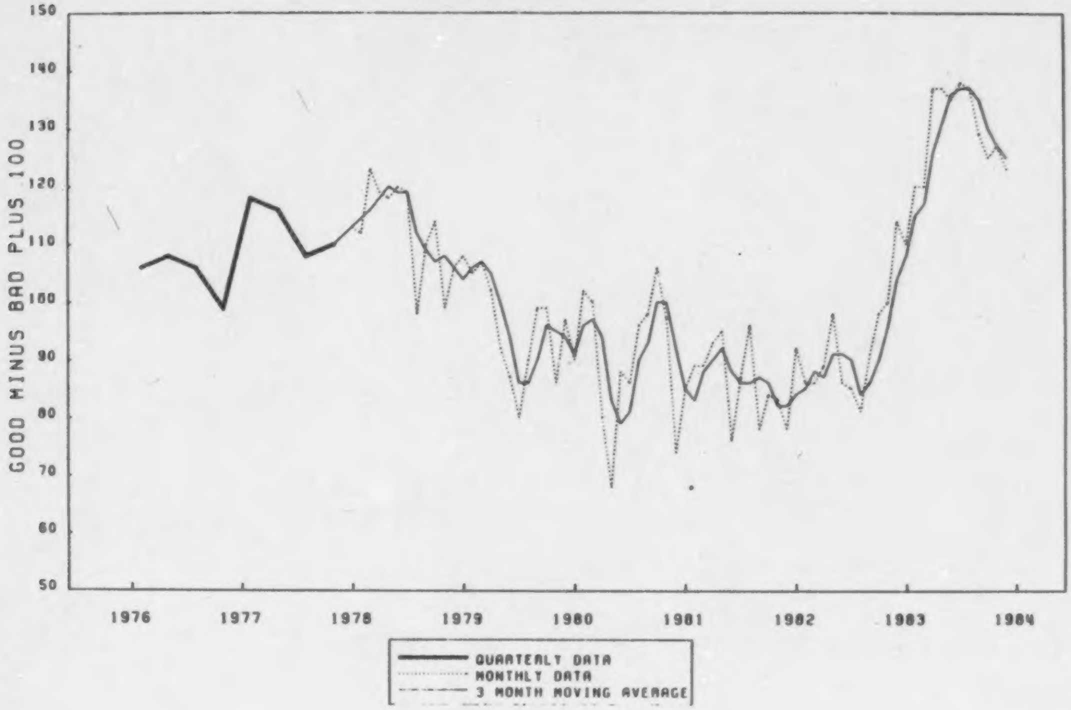


CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

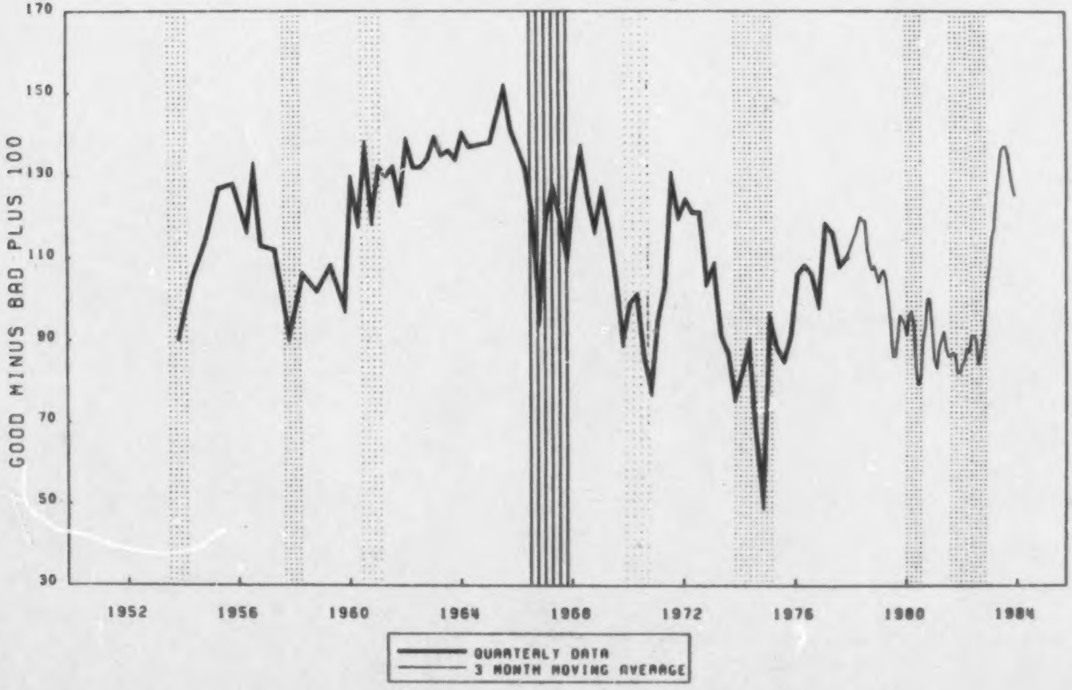


TABLE 30

BUYING CONDITIONS FOR CARS

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
GOOD TIME TO BUY	53%	51%	57%	56%	66%	66%	63%	65%	65%	61%	59%	59%	56%
UNCERTAIN; DEPENDS	8	8	6	8	5	5	9	8	7	7	7	9	11
BAD TIME TO BUY	39	41	37	36	29	29	28	27	28	32	34	32	33
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	709	696	707	700	714	680	673	704	689	701	701

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 31A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

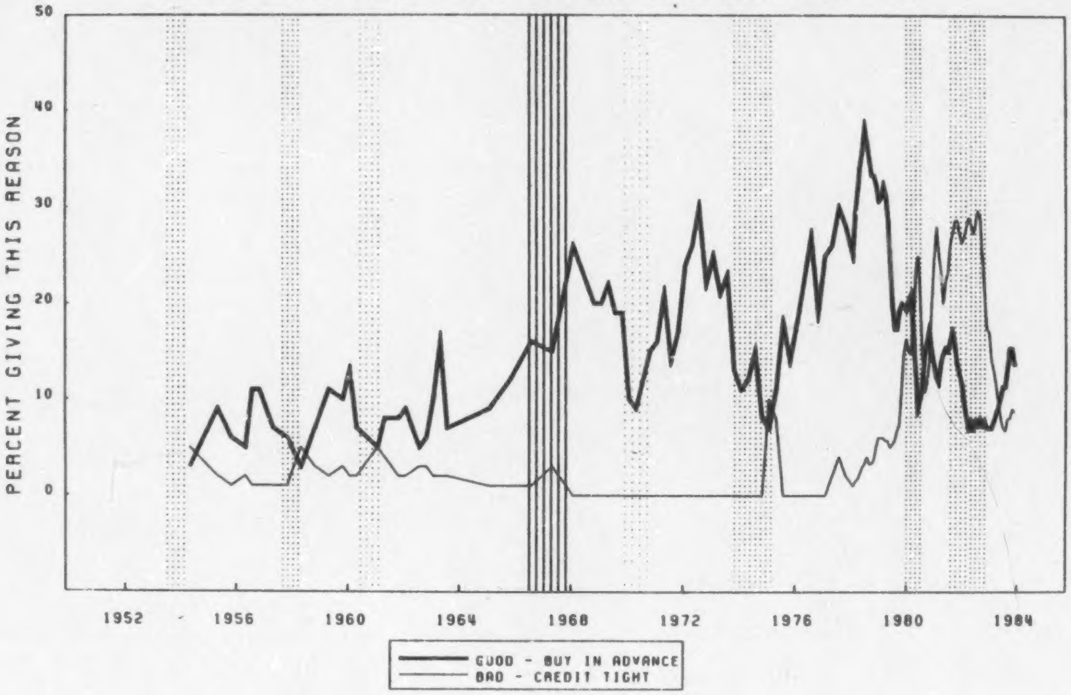


CHART 31B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

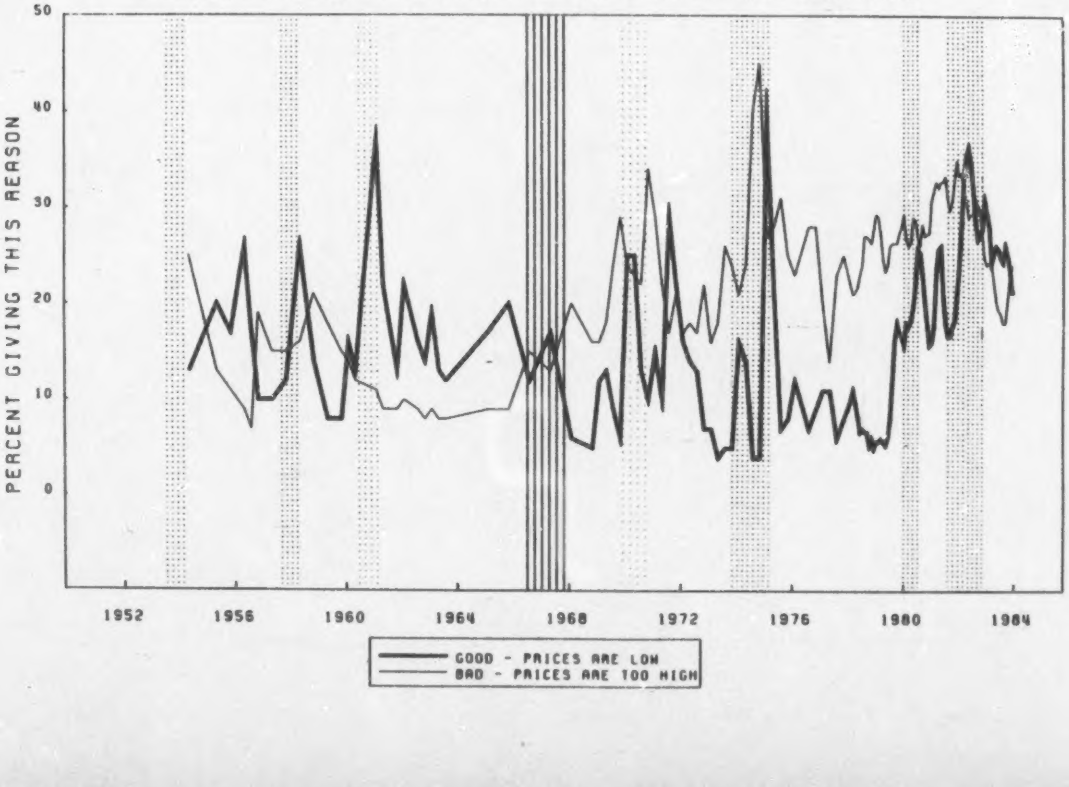


TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
GOOD TIME TO BUY:													
Prices are low; good buys available	35%	25%	24%	24%	28%	26%	23%	25%	25%	28%	22%	21%	21%
Prices won't come down; are going higher	6	7	8	8	8	12	11	11	12	17	17	12	12
Interest rates low; credit is easy	27	29	35	34	40	40	40	37	33	28	19	22	19
New fuel efficient models	1	2	1	2	2	*	1	2	1	2	2	2	2
BAD TIME TO BUY:													
Prices are high	23	24	26	23	19	19	20	18	16	20	25	23	24
Interest rates are high; credit is tight	14	18	10	11	11	7	6	8	6	10	8	9	9
Lack of purchasing power	13	12	12	10	7	7	7	7	9	6	8	6	5
Price of gas; shortages	1	1	*	*	*	1	1	*	1	*	*	*	*
Poor selection; quality	7	6	5	5	5	5	6	5	4	4	6	6	5

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 32 - RECENT CHANGES

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

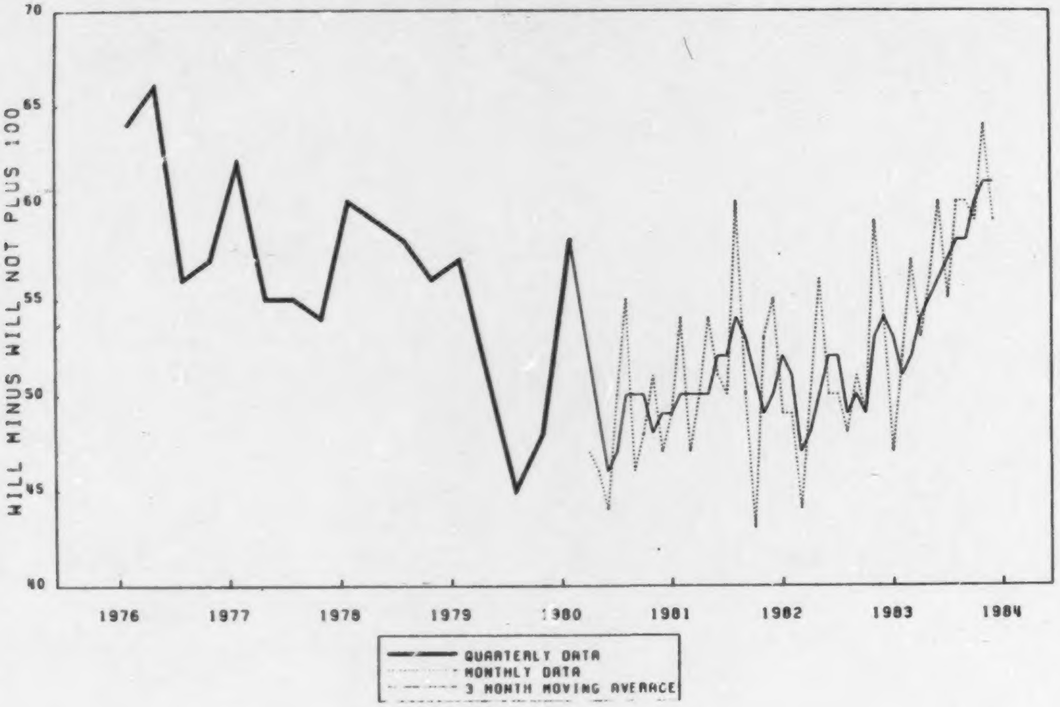


CHART 32 - HISTORICAL SERIES

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

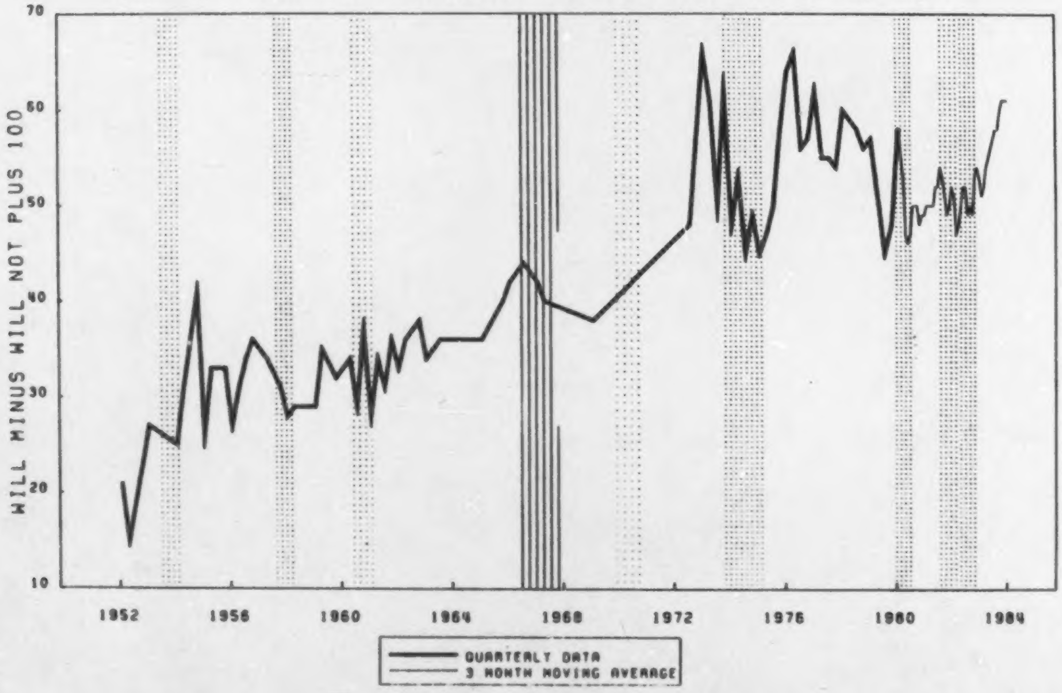


TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
PROBABLY WILL BUY	20%	15%	17%	20%	17%	17%	22%	18%	21%	21%	21%	22%	20%
CHANCES ARE EVEN	8	7	8	7	9	9	7	6	7	9	8	9	8
PROBABLY WILL NOT BUY	66	68	65	63	64	61	62	63	61	61	62	58	61
DK,NA	6	10	10	10	10	13	9	13	11	9	9	11	11
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	682	682	709	696	707	700	714	680	673	704	689	701	701

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	28%	22%	25%	27%	26%	26%	29%	24%	28%	30%	29%	31%	28%
PURCHASE TYPE:													
Buy new	15	10	12	13	14	12	13	11	15	13	17	17	16
Buy used	10	10	11	12	11	11	13	11	11	14	9	12	9
Lease	2	1	1	1	*	2	2	1	1	1	2	1	2
DK,NA	1	1	1	1	1	1	1	1	1	2	1	1	1
PURCHASE TIMING:													
Next 3 months	2	3	3	1	6	2	1	4	5	2	6	4	2
Next 4-6 months	6	6	6	7	6	7	10	6	4	7	8	5	4
Next 7-9 months	6	4	7	9	7	8	8	3	5	5	8	9	10
10 months or more	7	4	5	6	2	4	4	6	7	9	4	8	8
DK,NA	7	5	4	4	5	5	6	5	7	7	3	5	4

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983	Oct. 1983	Nov. 1983	Dec. 1983
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	66%	68%	65%	63%	64%	61%	62%	63%	61%	61%	62%	58%	61%
PURCHASE TYPE:													
Would buy new	40	36	34	31	38	36	37	37	33	33	33	36	36
Would buy used	24	30	29	31	25	24	24	24	27	27	29	21	24
DK,NA	2	2	2	1	1	1	1	2	1	1	*	1	1
PURCHASE TIMING:													
Less than 2 years	7	8	8	6	8	7	6	8	6	8	6	5	7
2 years	22	23	19	20	22	24	20	23	21	22	20	19	23
3 years	10	10	10	11	12	10	10	9	9	10	11	10	9
4 years or more	17	21	20	21	16	18	21	18	18	15	19	18	17
Indefinite	4	2	2	1	2	1	1	2	2	2	*	1	1
DK,NA	6	4	6	4	4	1	4	3	5	4	6	5	4

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

* : Less than half of one percent.

EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

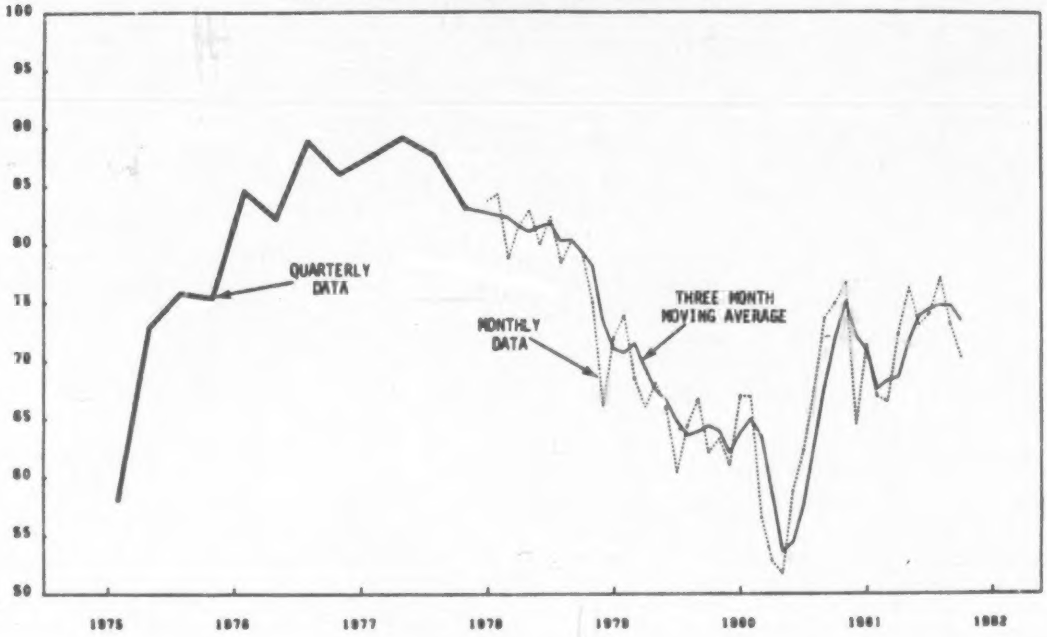
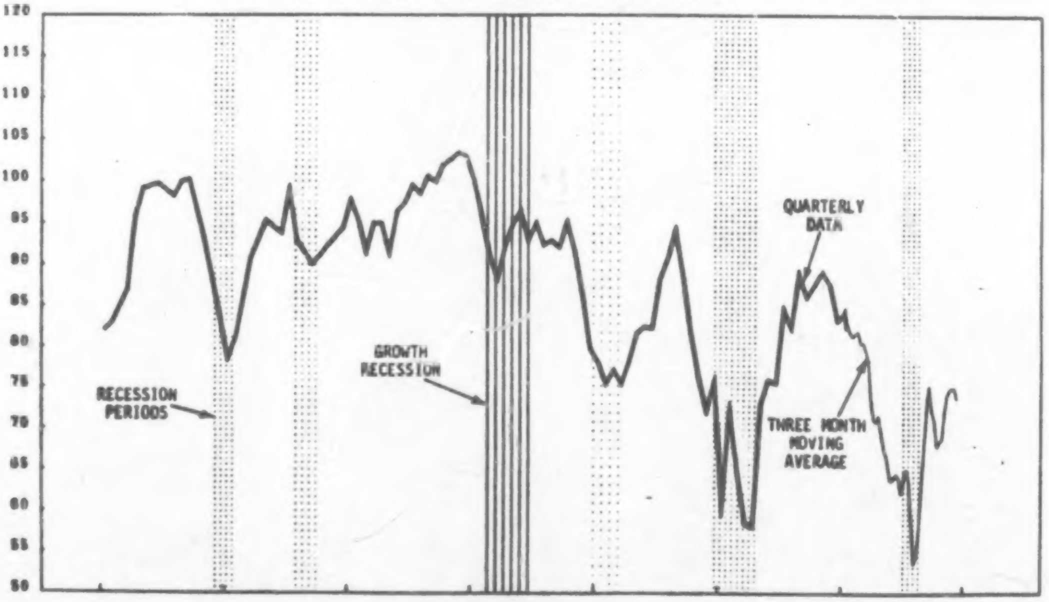


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES: November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
June 1966 - November 1967*
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980
July 1981 - November 1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews		
	700[b]	1,400[c]	2,100[d]
50	4.2	3.2	2.8
30 or 70	3.8	2.9	2.5
20 or 80	3.4	2.6	2.2
10 or 90	2.5	1.9	1.6
5 or 95	1.8	1.4	1.2

---

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b] Average size of monthly surveys.

[c] Average size of two monthly surveys.

[d] Average size of three monthly surveys (one quarter).

1/17/84 U7475-2 A

January 6, 1984

DECEMBER 1983 MONTHLY REPORT

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

CONSUMER CONFIDENCE REACHES NEW CYCLICAL PEAK

** In the December 1983 survey, the Index of Consumer Sentiment was 94.2, up from 91.1 one month earlier, and 71.9 one year earlier. The 1983 year-end level of 94.2 is the highest reading since the nearly identical 1972 peak level of 94.4 was recorded, and stands less than 10 Index-points below the all-time record level of 103.4 recorded in 1965. The recent improvement was due to more favorable assessments of current economic conditions, both for individual families and for the economy as a whole.

** More American families reported that their financial situation had improved in the December 1983 survey than at any other time during the past decade. Among all families, 45 percent reported in the December survey that their financial situation had improved during the past year. When asked why their financial situation had improved, one-third mentioned receiving income increases, and the proportion that complained about the adverse impact from inflation on their family's budget was the smallest in a decade (13 percent).

** Among all families, 71 percent reported in the December survey that current business conditions had improved over those of a year earlier. This is the highest proportion of families to hold favorable perceptions of recent economic developments to be recorded in more than 30 years. In sharp contrast, last year at this time, just 14 percent of all families reported favorable change in the economy.

** Good times financially were expected in the economy as a whole during the next 12 months by 67 percent of all families in the December survey, the highest level recorded since the mid 1960s. Consumers expected an annual rate of inflation of 5.0% during 1984, and twice as many families expected unemployment to continue to decline rather than increase during the year ahead (36 versus 17 percent).

** Consumer buying attitudes remained at very favorable levels in the December 1983 survey, with the majority holding favorable attitudes toward buying conditions for houses (57 percent), cars (56 percent), and large household durables (61 percent).

* * *

The resurgence and maintenance of consumer optimism at record high levels points toward a continued robust recovery in consumer sales though mid 1984.

Monitoring Economic Change Program
Institute for Social Research • P.O. Box 1248 • Ann Arbor, Michigan 48106 • (313) 763-5224

Personal Finances Improve

The personal financial situation of American families improved substantially during 1983, and by year-end twice as many families reported that their financial situation had improved rather than worsened. Among all families, 45 percent reported in the December 1983 survey that their financial situation had improved, up from 38 percent one month earlier, and 28 percent one year earlier. In contrast, 22 percent of all families reported that their financial situation had worsened in the December survey , down from 27 percent in November, and 38 percent one year earlier. The proportion of families that reported favorable changes in their personal financial situation in the December 1983 survey was only exceeded by the 1972 peak (47 percent) and the 1965 peak (50 percent) since these surveys were begun in 1946.

The sharp improvement in personal finances during the past year has been due to more favorable income and inflation trends. In the December 1983 survey, 33 percent of all respondents reported increases in family income (up from 26 percent one year earlier), while income declines were reported by 14 percent of all families (down from 21 percent one year earlier). References to the unfavorable impact of inflation on family budgets fell to 13 percent in the December 1983 survey, the lowest level recorded in a decade. Consumer complaints about inflation have declined substantially from three years earlier, when unfavorable references to inflation squeezed budgets were made by 48 percent of all families. Combined, these improvements in family incomes and declines in inflation have led to the most favorable evaluations of real income progress recorded during the past decade. The majority of American families reported in the December survey that increases in their family income had kept pace with or exceeded the rate of inflation during 1983.

American families expected further improvements in their financial situation during the year ahead by a wide margin in the December 1983 survey. Among all families, 35 percent expected their financial situation to improve during 1984, while just 10 percent expected a worsening financial situation. Compared with a year earlier, approximately the same number of families expected improvement in their financial situation (35 percent, up from 34 percent), but fewer families expected financial reversals in the year ahead (10 percent, down from 17 percent). In explaining these prospects, fewer families expected their nominal income to decline during the year ahead in the December 1983 survey than one year earlier (12 percent, down from 17 percent). The proportion of families that expected their income to increase during the year ahead in the December 1983 survey was just above the year earlier reading (60 percent, up from 58 percent), but the distribution of the expected size of the income increase has shifted downward: the proportion of families that expected income increases of 10% or more fell from 29 to 23 percent, while families that expected income increases of 1-4% rose from 6 to 12 percent. The overall median increase expected during 1984 was 3.8%, down from 4.7% one year earlier.

Recession: Over Not Forgotten

The December 1983 survey recorded the most favorable perceptions held by American consumers of recent improvements in the economy recorded during the past 30 years. Among all families, 71 percent reported in the December 1983 survey that the economy had improved during the past year, up from 63 percent in November, and just 14 percent in December 1982. Only 8 percent of all families in the December 1983 survey expected the economy to worsen during 1984, while 44 percent expected continued improvement. These improvements were expected to lead to good times financially in the economy as a whole during 1984, reported by 67 percent of all families in the December 1983 survey, up from 59 percent one month earlier, and 32 percent one year earlier. At 67 percent, the December 1983 survey recorded the highest proportion of American families that expected good times financially in the economy as a whole since the mid-1960s.

Consumers have become more optimistic about the short-term outlook for the economy because of favorable trends in employment and inflation, as well as greater confidence in government economic policies. Unemployment was expected to decline during 1984 by 36 percent of all families in the December 1983 survey, twice the 17 percent that expected unemployment to increase. An annual rate of inflation of 5.0% was expected in the December 1983 survey, just below the 5.2% recorded in November, and 5.1% recorded one year earlier. While the overall mean expectation has remained largely unchanged during the past year, fewer consumers reported in the December 1983 survey that they expected prices to remain unchanged or to decline (23 percent, down from 33 percent one year earlier). Among those families that expected price increases, the proportion that expected an inflation rate of 10% or more fell to 16 percent from 19 percent one year earlier, while the proportion that expected inflation rates in the 1-5% range rose to 44 percent from 34 percent. Confidence in government economic policies to combat inflation and unemployment improved substantially during 1983, and at year-end nearly regained the level recorded when President Reagan first entered office. Among all families, 29 percent favorably rated government economic policies in the December 1983 survey, up from 27 percent in November, and 19 percent one year earlier. Unfavorable ratings of government economic policies fell to 18 percent in December, from 20 percent one month earlier, and 30 percent one year earlier.

Longer term prospects for the economy as a whole improved in early 1983, but since then have remained largely unchanged at those favorable levels. During the last nine months of 1983, the proportion of families that expected good times financially over the next five years or so has remained in the narrow range of 37 to 39 percent. Unfavorable long term business expectations were reported by approximately the same proportion of families during the past nine months--35 to 42 percent. In the December 1983 survey, the balance of opinion was favorable, with 39 percent that expected good times financially, and 37 percent that expected bad times in the economy as a whole over the longer term. To be sure, these evaluations are greatly improved over the recession lowpoint, and now stand nearly equal to the cyclical peak levels recorded during the 1970s. Compared with these prior cyclical peaks, at least as many families reported favorable long term business expectations (the 39 percent recorded in December 1983 was the highest since 1969), but families more frequently expected unfavorable long term developments (37 percent in December 1983, compared with a low of 25 percent recorded in the 1970s). These results indicate that consumers are still unconvinced that the short term improvements will lead to a long lasting recovery. The repeated cycles of recession and recovery during the past decade have not been forgotten, even in the current mood of optimism.

Favorable Buying Attitudes

Favorable buying attitudes towards large household durables were held by 61 percent of all families in the December 1983 survey, somewhat below the mid-year peak of 67 percent, but above the year earlier reading of 50 percent. When asked to explain their views, 38 percent of all families mentioned the availability of lower prices and discounts on household durables in the December 1983 survey--which tied the all-time record level, recorded in both the February 1983 and February 1961 surveys. The widespread appeal of lower prices and discounts on household durables recorded throughout 1983 has dominated consumer views on buying conditions for durables to a greater extent than at any other time in the prior 20 years.

The proportion of families holding favorable attitudes toward buying conditions for houses rose to 57 percent in December 1983 from 53 percent in November, remaining just below the mid year peak of 66 percent. The small decline since mid 1983 has been due largely to fewer references to reduced mortgage interest rates--falling to 41 percent in December from 61 percent at mid year. Complaints about high mortgage rates, in contrast, only rose to 25 percent from the mid year low of 23 percent. Perceptions of housing prices also remained on balance favorable in the December survey, although by a narrower margin than at mid year. References to the availability of lower housing prices fell to 18 percent in December 1983 from the mid year peak of 25 percent, while complaints of high housing prices only rose to 13 percent from the mid year low of 12 percent

Favorable car buying attitudes were held by 56 percent of all families in the December 1983 survey, just between the 59 percent recorded in November, and the 53 percent recorded one year earlier. Although car buying attitudes have declined from the mid 1983 peak (66 percent), car buying attitudes were still as favorable in the December 1983 survey as they were at peak levels recorded during the decade of the 1970s. Since mid 1983, fewer respondents mentioned the availability of lower interest rates on car loans, falling from 40 to 19 percent by year-end. Only a small increase in complaints about high interest rates, however, were recorded, rising from a mid year low of 7 percent to 9 percent by year-end. Perceptions of vehicle prices also became somewhat less favorable by year-end 1983. In August 1983, the proportion of families mentioning high vehicle prices fell to a cyclical low of 16 percent (half the level recorded in August 1982). Accompanying the new model introductions, the proportion mentioning high prices rose to 24 percent by December 1983 (just above the 23 percent recorded in December 1982). At the same time, references to the availability of lower prices and rebates declined to 21 percent in December 1983, from 35 percent one year earlier. As a result, an unfavorable balance of opinion toward vehicle prices was recorded in the December survey, for the third consecutive month.

* * *

The December 1983 survey was conducted between December 1, 1983 and December 21, 1983, and included 701 completed interviews.